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Summary record of the 59th meeting
Held at Headquarters, New York, on Wednesday, 14 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

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06-38732 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/60/681 and Corr.1 and Add.1, A/60/682, A/60/699, A/60/700, A/60/711, A/60/713, A/60/715, A/60/717, A/60/720 and Add.1, A/60/727, A/60/787, A/60/807, A/60/856 and A/60/880)

Interim report of the Advisory Committee on Administrative and Budgetary Questions

1. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the Advisory Committee's interim report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/60/880), said that, for the reasons stated in paragraphs 2 to 5 of its report, the Advisory Committee had not had the opportunity at its current session to engage in detailed consideration of peacekeeping matters of a cross-cutting nature. Its intention in submitting an interim report was to assist the Committee in its deliberations on peacekeeping operations by providing a summary of the issues of general application identified by the Advisory Committee thus far.

2. The Advisory Committee would present its full general report on peacekeeping operations in the fall, once it had had the chance to examine the budgets of all peacekeeping operations and a number of forthcoming reports that would have an impact on peacekeeping operations, including reports relating to the Secretary-General's proposals on reform, procurement, governance and results-based budgeting in peacekeeping operations, as well as a range of documents on human resources management issues. The Advisory Committee's general report would be forward-looking and contain recommendations to guide the work of the missions in preparing the next round of peacekeeping budgets.

3. **Ms. Pollard** (Director of the Peacekeeping Financing Division) said that, as stated in the Advisory Committee's report, some peacekeeping documentation had been submitted to ACABQ later than anticipated. That had been largely due to the current situation regarding Security Council approval of peacekeeping mandates. She recalled that, at the main part of its sixtieth session, the General Assembly had considered and approved a number of proposals which had had an impact on the preparation of the 2006/07 budgets. The preparation of the budget proposals for the missions in the Sudan, Haiti and the Democratic Republic of the Congo had been particularly challenging, owing to changes in their mandates and the associated resource requirements, which had to be formulated for consideration by the Assembly. The Secretariat fully appreciated that the late submission of documentation created problems for the Committee, as well as for the Advisory Committee.

4. **Mr. Drofenik** (Austria), speaking on behalf of the European Union, said that the Advisory Committee's interim report was timely and needed. The European Union had made clear on previous occasions that it attached particular importance to horizontal issues and considered it essential that the Committee should give the relevant policy guidelines when approving resources for peacekeeping operations. While it regretted that time constraints had prevented the Advisory Committee from commenting on the Secretary-General's overview report (A/60/696), it looked forward to receiving the relevant Advisory Committee report at the main part of the sixty-first session. That would allow the Committee to address horizontal issues when discussing the revised budgets for individual peacekeeping operations. The European Union would like an Advisory Committee report on horizontal issues to be submitted on a regular basis, at the second part of each resumed session.

5. The European Union welcomed the Advisory Committee's findings on the temporary assignment of staff, the use of general temporary assistance, air operations, quick-impact projects, fraud, consultants, high vacancy rates, and integrated and complex missions. It shared the concerns raised by the Advisory Committee and would therefore introduce language for discussion in respect of those issues. A discussion of cross-cutting issues would not delay the Committee's deliberations but would facilitate and expedite its consideration of individual missions. The Bureau should ensure that sufficient time was allocated in the programme of work for such a discussion, as well as for consideration of the other important agenda items before the Committee. The European Union was committed to having a constructive and streamlined discussion. That would enable the Committee to successfully conclude its work by the end of June.

6. **Ms. Attwooll** (United States of America) said that, as in the past, her delegation strongly supported the inclusion of a resolution on cross-cutting issues relating to peacekeeping. While the range of topics before the Committee could be considered on a mission-by-mission basis, her delegation believed it would be far more efficient and effective to consider them in one consolidated resolution.

7. In response to the requests contained in the previous year's resolution on cross-cutting issues (resolution 59/296), there had been a considerable improvement in both the quality of information provided to Member States and the United Nations response to the concerns identified in the resolution. Her delegation looked forward to building on those successes and further enhancing the management of peacekeeping operations to enable the United Nations to successfully implement the mandates granted it by Member States.

8. She was pleased to note that the revised programme of work allocated time for consideration of a cross-cutting resolution. Her delegation had every confidence that, with careful organization and a cooperative spirit on the part of all delegations, the Committee would be able to conclude its work by the end of June.

9. **Mr. Kozaki** (Japan) said that his delegation attached great importance to cross-cutting issues and was therefore pleased that time had been allocated for their consideration. His delegation would participate constructively in the discussion, which it hoped would proceed expeditiously to enable the Committee to successfully conclude its deliberations on peacekeeping operations.

10. **Mr. Yoo** Dae-jong (Republic of Korea) said that his delegation understood the difficulties experienced by the Advisory Committee in preparing its report. As the report had been issued shortly before the meeting, his remarks would be brief and preliminary in nature. Though short, the report identified the problems encountered in peacekeeping operations and recommended the broad direction to pursue in order to resolve them.

11. His delegation shared the Advisory Committee's concerns regarding the assignment of staff to temporary duty in other missions. The matter could be considered in connection with the Secretary-General's proposal to establish a new cadre of peacekeepers, as contained in his report "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692, para. 28). Four of the eight issues raised in the Advisory Committee's report related to human resources management. He expected future reports by the Secretariat and the Advisory Committee to duly reflect that aspect.

12. His delegation shared the Advisory Committee's desire to learn more about the impact of the new costing structure for air operations (A/60/880, para. 8). Given the high level of peacekeeping activities, enormous resources were required for air operations. There was thus a need to pursue greater efficiency when air operations contracts were concluded; to increase regional management of air assets; and to ensure optimal use of those assets, including through enhanced coordination with the Department of Political Affairs.

13. **Mr. Simancas** (Mexico) said that the discussion of cross-cutting issues relating to peacekeeping and the subsequent adoption of resolution 59/296 had had a positive impact not only on the preparation, but also on the execution, of peacekeeping budgets. His delegation therefore welcomed the Advisory Committee's interim report and would work constructively with other delegations to achieve progress in the informal consultations on the matter.

14. **Ms. Udo** (Nigeria) said that Nigeria and the other members of the Group of 77 and China had supported the adoption of resolution 59/296. Her delegation valued the opportunity to discuss cross-cutting issues that affected several missions. It welcomed the Advisory Committee's interim report but would appreciate clarification as to how the Committee should treat it.

15. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the issues identified in the interim report were additional to those referred to in resolution 59/296. They could be taken up during discussions of peacekeeping budgets, and included if the Committee so desired.

Fact-finding into allegations of procurement irregularities

16. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) recalled that, at the Committee's 56th meeting, the Office of Internal

Oversight Services (OIOS) had submitted comprehensive written responses to questions raised by delegations concerning, inter alia, the scope of the internal controls review undertaken by Deloitte Consulting LLP versus the scope of OIOS audits; the manner in which OIOS had conducted its comprehensive management audit of the Department of Peacekeeping Operations; the audit of the Procurement Service, which OIOS had begun but not completed; and the issue of delegation of authority. A number of supplementary questions had been put to OIOS at the Committee's 58th meeting. Her Office's written responses to those questions had been distributed informally.

17. The Committee might wish to note that the procurement task force, which was currently reviewing the audit findings of OIOS, worked independently of the Internal Audit Division. Thus, every audit finding would be re-evaluated to ensure that it was substantively correct. That was a long process, and a number of cases were involved. However, OIOS was committed to completing its investigation into procurement irregularities as quickly as possible, mindful of the need for accuracy and thoroughness. While it was also committed to transparency in its interactions with Member States, senior management and the individuals affected by the procurement investigation, it was cognizant of the need to maintain confidentiality.

18. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts), responding to the questions addressed to him, said that the Secretariat had followed up on those recommendations in the Deloitte report that had been deemed to require immediate attention. The steps taken had been within the Secretariat's purview and had been implemented within existing resources. General Assembly approval was being sought, where necessary, for further follow-up action. It was both prudent and consistent with good risk management strategies for internal controls to be further improved once weaknesses had been identified.

19. The Deloitte study had been commissioned by the Under-Secretary-General for Management. There had been no suggestion by the Secretariat that OIOS and the Board of Auditors were not competent to conduct that type of study. It should be noted, however, that the study had involved a review of internal controls, rather than an audit or an investigation. There was no intention to make such reviews the preserve of external consultants; the Secretariat would continue to allocate assignments on a case-by-case basis, according to specific needs. Consultants' studies had not, and would not, be used to challenge the findings of OIOS and the Board of Auditors. Such studies were a legitimate problem-solving tool but must be used selectively.

20. In response to suggestions that the Deloitte report should have been shared with senior managers or former senior managers, so as to ensure that it contained no factual or contextual errors, he emphasized that the draft report had been carefully checked for accuracy. At the same time, there was no requirement that every individual engaged in procurement should participate in the fact-checking.

21. He had been asked about the systemic and technical controls that were in place to prevent procurement fraud. While the Secretariat did have such procedures and systems, in some cases, it was left to staff members themselves to conduct monitoring and oversight, owing to a lack of system integration. He could not explain why that issue had not been addressed by the National Institute of Governmental Purchasing (NIGP) in its study of the Procurement Service.

22. His responses would be distributed to delegations informally.

23. **Mr. Aljunied** (Singapore) said that his delegation would need time to study the information provided. However, it noted that the Secretariat had evaded, or simply ignored, some of the issues raised. For example, it had not addressed his concerns regarding the value of the Deloitte report. That document had been presented in a cursory informal briefing, which not all delegations had been able to attend. Consequently, it had yet to be subject to a thorough and comprehensive evaluation by Member States. Until such an evaluation had taken place, the Secretariat should not use the report as a basis for preparing other reports, and it should refrain from referring to its findings. The Committee, for its part, should have a full discussion of the Deloitte study.

24. With regard to the Secretariat's assertion that the report had been carefully checked for factual and contextual accuracy, he wished to know which officials had undertaken the checking and whether a decision had been made not to consult with senior managers in the Procurement Service.

25. The Secretariat should elaborate further on the meaning of the term "internal controls" and on the systemic and technical controls that were in place in the Organization to prevent procurement fraud.

26. His delegation had made a number of comments regarding the tenuous nature of the link made by the Secretariat between the findings of the Independent Inquiry Committee and the cases of the eight staff members placed on administrative leave. Regrettably, the Secretariat had not responded to those observations. If his delegation was correct and there was, in fact, no link, the Secretariat should amend the information it had provided previously. He underscored that the provision of inaccurate and misleading information was not helpful.

27. Lastly, he reiterated his request for the Secretariat to provide delegations with the comments made by the Department of Management on the Deloitte report. He reserved the right to put further questions after studying the Secretariat's written responses. While he understood the time constraints facing the Committee, his delegation would be compelled to pursue the matter until it received accurate, appropriate answers that did not evade the issues.

The meeting rose at 10.45 a.m.

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Fifth Committee

Summary record of the 60th meeting
Held at Headquarters, New York, on Friday, 16 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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06-39086 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

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Investing in the United Nations: for a stronger Organization worldwide: detailed report (A/60/846 and Add.1-4 and A/60/870)

Policies of United Nations system organizations towards the use of open source software in the secretariats (A/60/665 and Add.1)

1. **Mr. Sach** (Controller) said that the report of the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide: detailed report", prepared pursuant to General Assembly resolution 60/260, elaborated on proposals 8-10 and 16-19 of the earlier report of the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692). It consequently addressed information technology, budget and finance and information-access issues, but not, for example, procurement, which would be discussed later in the resumed sixtieth session; human resources management, which would be discussed during the main part of the sixty-first session; or alternative service delivery, which would be further addressed in 2007.

2. The report under consideration, with its four addenda, made detailed proposals to better equip the Organization to meet the many complex challenges before it, recognizing that its management system lacked the necessary capacity, controls, discretion, robustness and transparency to handle the multi-billion-dollar global operations with which it was increasingly charged. As some of the proposals were not new, but had previously come before the General Assembly at financially inopportune times, the current emphasis was on providing the Organization with a financial base sound enough for its mandated programmes and activities to be implemented in a timely and effective manner. However, the financial situation was no better than it had been 10 years previously.

3. In connection with addendum 1, which dealt with investment in information and . communication technology (ICT), he urged Member States to support the establishment and financing of a new post of Chief Information Technology Officer, at the level of Assistant Secretary-General, in order to develop the Organization's ICT strategy. The current fragmented approach to such technology was costly and carried risks, including weak financial controls in the absence of effective enterprise resource planning (ERP) software. A new ERP system must be put in place, in tandem with the introduction of the International Public Sector Accounting Standards (IPSAS).

4. In the light of the request of the General Assembly in part VI of resolution 60/260, and superseding the original proposals contained in proposal 16 of document A/60/692, addendum 2 contained two new proposals to give the Secretary-General greater discretion in budgetary implementation. One would enable him to transfer up to 10 per cent of resources between sections within each individual part of the budget within a single budget period. The other would enable him to undertake the redeployment, reclassification or conversion of up to 10 per cent of posts in the three categories described in paragraph 29 of addendum 2. Most importantly, the Secretary-General was not seeking discretionary authority for the creation or suppression of posts.

5. The proposals in addendum 3 focused on effective and efficient management of resources, responding to concerns expressed by the General Assembly, the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Board of Auditors and the Panel of External Auditors. The Member States were asked to approve a series of measures.

6. The first measure was adoption of the International Public Sector Accounting Standards (IPSAS), as agreed between all the executive heads of the United Nations system, in order to improve transparency, accountability, governance and financial management. As the target date for the Standards to be in place was 2010, the process must begin without delay.

7. The second measure was consolidation of the budgets of peacekeeping operations in order to simplify the legislative and administrative aspects of mission financing and to give States providing troops and police more consistent and timely reimbursement. Consolidation of mission budgets would result in a single performance report and a single expenditure statement rather than the current 17 individual documents, while consolidation of financial resources would improve the liquidity of all peacekeeping operations and help the Organization to meet its obligations towards troop-contributing countries. Fears that consolidation of peacekeeping budgets would force States which paid their assessments promptly to subsidize those that delayed payment were a misconception. The damage to peacekeeping operations from late payment was not the result of de facto subsidies, but of transferring the burden unfairly to troop contributors.

8. The third measure was an increase in the peacekeeping commitment authority from the current $50 million to $150 million, reflecting the increase in the size of peacekeeping missions, the need to cover mission planning and start-up and the need to replenish strategic deployment stocks. Only the amount of the commitment authority would change; the current governance and oversight arrangements would remain unchanged. No additional funding from the Member States would be necessary, and the Advisory Committee must still concur before commitments for the actual start-up of peacekeeping operations were entered into.

9. The fourth measure was an increase in the Working Capital Fund from the current $100 million, unaltered since 1981 and sufficient for only two to three weeks of regular budget expenditure, to a level of $250 million, sufficient for four to six weeks of expenditure.

10. The fifth measure was the temporary suspension of financial regulations 5.3 and 5.4 to enable the Organization to retain budgetary surpluses, as outstanding assessed contributions from Member States had stood at over $3.2 billion at the end of 2005. If retention was approved, the General Assembly was also asked to decide whether the amounts concerned might be allocated to solve problems such as the inadequate level of the Working Capital Fund. In order to maintain transparency in the management of the retained surpluses, the Secretariat would report on those resources in the context of closed accounts for the relevant financial periods.

11. The sixth measure was the establishment of a reserve fund to accommodate unanticipated expenditure arising from exchange-rate fluctuations and inflation, a matter whose significance had been acknowledged when the General Assembly had adopted resolution 41/213, "Review of the efficiency of the administrative and financial functioning of the United Nations", 20 years earlier. If approved, the fund would be subject to established reporting requirements for funds, and to audit by the Board of Auditors. Transfers to or from it would be reported to the General Assembly through the Advisory Committee.

12. The seventh measure would be to charge interest on arrears in Member States' contributions, an idea first put forward in 1993. The Organization's financial situation was no better in 2006, and the interest would be used to increase its reserves. As the proposal was being made directly to the General Assembly, it was unaffected by the provisions, regarding the role of the Committee on Contributions, of General Assembly resolution 60/237, "Scale of assessments for the apportionment of the expenses of the United Nations".

13. The proposals put forward for the consideration of the Member States in addendum 4 focused on improving reporting mechanisms, including public access to United Nations documentation, in order to encourage public interest and demonstrate good governance. The proposals included a policy for information disclosure — including the conditions under which access to documentation would be denied — and resource requirements for improving management of the Organization's records. While the General Assembly, in its resolution 60/260, had not elaborated on the intention indicated by the Secretary-General in document A/60/692 to produce a comprehensive annual report to reflect all resources deployed and programmes undertaken, the current report took up that issue. Such a report would

supplement, not replace, the annual report of the Secretary-General on the work of the Organization required under the Charter.

14. Accountability had been addressed in general terms in paragraphs 5 to 8, and addendum 2, of the detailed report (A/60/846), and more specifically in connection with improved transparency in management in all four addenda. However, as a number of Member States had called for more detail and for a common understanding of the matter, a separate addendum 6 would be drawn up to provide a definition of accountability. Arrangements for accountability would also be discussed in future reports on human resources management and the administration of justice.

15. The resource requirements for the proposals in addenda 1 to 4 totalled $6,381,300, including eight new posts. If that sum was made available, the Organization would be able to begin updating, improving and standardizing its management systems to meet the demands it faced and to ensure full accountability for the management of programmes and financial and human resources. In the following biennium, 2008-2009, introduction of a new ERP was expected to cost a further $120 million, and the introduction of IPSAS was expected to cost a further $23 million.

16. The Organization had been criticized for its weak financial controls, poor management of resources, failure to keep up to date with best practices in accounting standards and information-technology management and, generally, for failing to meet the expectations of its Member States. While it had been managing well under outdated systems, there were substantial risks in delaying improvements. The management systems of the United Nations must be upgraded, globalized, standardized and modernized. General Assembly approval of the Secretary-General's proposals would help the Organization to move forward efficiently and effectively and to better serve its Member States.

17. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related report of ACABQ (A/60/870), said that the Advisory Committee appreciated the timely submission of the Secretary-General's report and the effort made to respond to the Advisory Committee's requests for background information on the history of the proposals contained in his initial report on investing in the United Nations (A/60/692 and Corr.1), their financial and administrative implications and the projected time lines for their implementation. However, the report treated some subjects more comprehensively than others and, in some areas, lacked clarity or detail.

18. With regard to accountability, the Advisory Committee welcomed the steps taken thus far but noted that a complete system of accountability would require further development and requested the Secretary-General to give the issue priority attention in elaborating and implementing reform measures. The focus should be on developing a clear definition of accountability in all areas, including finance, administration and human resources management; tools to implement accountability; an effective system for the administration of justice; and consistent regulations and rules.

19. Concerning information and communication technology, the Advisory Committee recommended approval of the creation of a post of Chief Information Technology Officer, on the understanding that the incumbent would head an office that would integrate the Information Technology Services Division of the Department of Management and the Communication and Information Technology Service of the Department of Peacekeeping Operations and provide Secretariat-wide leadership. The function should be accommodated through redeployment of a post at the Assistant Secretary-General level. A decision on the replacement of the Integrated Management Information System (IMIS) with a next-generation enterprise resource planning system could be made only after the Secretary-General's detailed report on the matter had been submitted to the General Assembly and extensive deliberations had taken place. The Advisory Committee recommended approval of the resources requested to carry out the cost study envisaged and to prepare the report.

20. The Advisory Committee had previously called for the Secretary-General to be given greater flexibility in budget implementation. However, the proposals contained in the Secretary-General's report were not sufficiently clear or specific to be acted on at the current stage. Accordingly, the Advisory Committee recommended that the Secretary-General should rework them and, in addition, provide a full analysis and justification of the scope and level of discretionary authority requested, including information on any

instance in which the need for greater discretionary authority had been made evident.

21. The Secretary-General also proposed that he should be granted authority, within the approved staffing table for the Secretariat as a whole for a given budget period, to undertake post actions for up to 10 per cent of posts within and between three broad categories of posts. The Advisory Committee had consistently supported greater discretionary authority in that area and had made a number of recommendations on which the General Assembly had yet to pronounce itself. It noted that any proposal on post actions was necessarily linked to the proposal concerning transfers between budget sections and, as such, needed to be clarified.

22. The Advisory Committee recommended adoption of the International Public Sector Accounting Standards (IPSAS) and approval of the requested resources to begin implementation, with the stipulation that expenditure relating to the information technology aspect of implementation should await a definitive decision by the Assembly on the system to be used.

23. Regarding the consolidation of peacekeeping accounts, the Advisory Committee had been provided with a revised proposal that addressed the issue of maintaining the link between peacekeeping assessments and the specific mandates approved by the Security Council. However, a more fundamental problem remained: if the proposal was implemented, those Member States that paid their peacekeeping assessments promptly and in full would be subsidizing those that did not. It was for Member States to decide whether the managerial advantages of consolidation outweighed that basic fact. Consideration of the related proposals of the Secretary-General would depend on the General Assembly's decision concerning the consolidation of accounts.

24. The Advisory Committee recommended that the current procedures for granting commitment authority should be maintained, notably because the Secretariat had been unable to cite any instance in which the existing ceiling of $50 million had proved insufficient. Concerning the utilization of budget surpluses, it pointed out that the General Assembly had yet to take a decision on the measures proposed by the Secretary-General for funding accrued liabilities for after-service health insurance benefits, which included proposals to utilize budget surpluses for that purpose.

25. The Advisory Committee welcomed the Secretary-General's intention to prepare and submit a single comprehensive annual report containing both financial and programme information. There was, however, a need to define more clearly the purpose of the report and the target audience. The attempt to provide one report to serve the needs of both the general public and Member States would result in a document that was too technical for the former and too general for the latter. The Advisory Committee recommended that, at the current stage, the Secretary-General should concentrate on developing a comprehensive financial and programme report for the General Assembly, while continuing to produce the annual report on the work of the Organization required under Article 98 of the Charter of the United Nations.

26. The Advisory Committee also welcomed efforts to consolidate reports. However, the bulk of the consolidation proposed in document A/60/846/Add.4 was dependent on the Assembly's decision on the proposal to consolidate the financial performance reports and budgets of the peacekeeping operations.

27. Lastly, the Advisory Committee trusted that the text of the new public access policy, when it was fully elaborated, would be made available to the General Assembly. Before action was taken to implement the new policy, it would be important to explore the possibility of a fee structure and financing mechanisms, where appropriate.

28. **Mr. Larrabure** (Vice-Chairman, Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on policies of United Nations system organizations towards the use of open source software, said that it aimed to create greater awareness of public administrations' increasing use of open source software and to highlight some of the requirements which the United Nations system must meet in order to increase its use of such software, rather than to quantify exact savings or operational gains therefrom.

29. Many Governments had recognized open source software as a valid alternative to corresponding closed source software, as it offered more choice and competition, and avoided vendor lock-in. They had defined policies for the use of open source software in the wider context of e-government policies and related interoperability frameworks. The aim was to allow universal access to information and preserve public data. In order to champion, monitor and drive the

process of implementing open source software policies, leadership was needed. Public administrations must review procurement policies with a view to obtaining ownership of customized software and fostering the sharing of applications.

30. The organizations of the United Nations system must strengthen their capacity to create, share and disseminate information and knowledge in a way which ensured that users throughout the world had access to them. The General Assembly had already recognized those needs in adopting resolution 57/295 on information and communication technologies for development, which called for the formulation of a comprehensive ICT strategy. In response to that request, the Secretary-General, in his capacity as Chairman of the United Nations System Chief Executives Board for Coordination (CEB), had prepared a report on progress in the implementation of General Assembly resolution 57/295 (A/59/563), which outlined a strategy based on an analysis performed by the Information and Communication Technologies Network and the Information and Communication Technologies Task Force. Among the problems identified in the preparation of that strategy were disparate enterprise resource planning systems (ERPs); the lack of common standards for ICT governance; constraints on the establishment of substantive networks; and constraints on the sharing of common applications.

31. Against that background, and in view of the need to ensure access to information and system-wide interoperability for data and knowledge-sharing, the report recommended that the General Assembly should emphasize the principle of equal and universal rights to access public information made available in electronic format by United Nations organizations, without the user being obliged to acquire a particular type of software. The General Assembly should also emphasize improved system-wide interoperability of ICT systems through the use of open standards and open file formats, in order to guarantee the permanence of electronic public records and avoid dependence on particular software providers. Consultations should take place within CEB to establish a system-wide United Nations Interoperability Framework (UNIF).

32. In that context, customized software should be owned by the organizations themselves and be made available to other stakeholders or licensed as open source software. Organizations should aim to avoid vendor lock-in and should give equal consideration to all compliant ICT solutions available, including those based on open source software, the final choice being made on the basis of value for money. The report had found that the use of open source software in organizations of the United Nations system was generally attributable to individual initiative, not corporate policy, which was mostly absent. One exception was the United Nations Office at Vienna, which had established an open source software policy requiring equal consideration of both open and closed source solutions on the grounds of technical suitability, security and cost. In order to preserve, improve and make available the open source software currently used within the United Nations system, the report also recommended that CEB should take steps to create and make accessible to all organizations a repository of mature open source software solutions existing within the system.

33. JIU had considered the CEB comments on its report (A/60/665/Add.1), and was pleased at the Board's agreement with recommendation 1. While establishing a system-wide United Nations Interoperability Framework would require effort, it would eventually allow for the seamless sharing of information and knowledge. Regrettably, significant resistance to change appeared to remain in some organizations, which hesitated to support the open source software initiative initially outlined in the ICT strategy. The United Nations system unfortunately still operated, in many cases, in an environment which rewarded a conservative approach. It must instead move towards an environment which rewarded creativity, well-conceived change and cost-efficiency.

34. Rather than advocating the blind use of open source software, the report attempted to explain why serious consideration should be given to that alternative. In addition, the report did not provide the detailed analysis required to move ahead with implementation, which was the prerogative of each organization's secretariat. Instead, it provided evidence of significant initiatives in the use of open source software throughout the world. It stressed that in order to exploit opportunities to mitigate software costs through increased usage of open source software, as envisaged in the Organization's ICT strategy (A/59/563, annex I, para. 2 (i)), the United Nations system must be willing to explore fully all the alternatives open to it.

35. **Mr. Herman** (Secretariat of the United Nations System Chief Executives Board for Coordination (CEB)), introducing the comments of the Secretary-General and CEB on the JIU report (A/60/665/Add.1), said that very few ICT issues generated as much heated debate as the use of open source software in a business environment. Many factors must be taken into consideration in selecting computer software, including its suitability, reliability and price. It was important to calculate the total cost of ownership, including hidden costs such as maintenance and training, among others. In the case of open source software, which was available free or at minimal cost, qualities other than purchase price must be evaluated in taking decisions on which software to use. In fact, for most software applications, the actual software licensing price was only a small component of the overall implementation cost. All software, no matter how complex, required configuration and adaptation to the business environment in which it would operate, and those costs frequently eclipsed the price of the software itself.

36. Another factor to be considered was that open source software had no owner and therefore no fixed point of contact for problem solving. Organizations using such software needed to develop their own capacity or find outside assistance, meaning that open source software frequently depended on an informal, ad hoc support structure which many organizations found unsustainable, especially for applications critical to their mission.

37. Such obstacles, however, could be overcome. The benefits of open source software included an unparalleled ability to add new functionality which could easily be shared across a wide community. Indeed, organizations of the United Nations system had already demonstrated that they were willing to adopt new methodologies and practices through their use of open source products in many areas.

38. In conclusion, it was necessary to further investigate how organizations might benefit from the open source movement as well as mitigate its risks. Organizations of the United Nations system must decide where the implementation of open source software fitted among other ICT-related priorities. While the report did not extensively explore that area, organizations believed that it provided a foundation upon which further analysis could be conducted.

39. **Mr. Drofenik** (Austria), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Serbia; and, in addition, Iceland, the Republic of Moldova and Ukraine, said that the report of the Secretary-General corresponded to the mandate entrusted to him at the 2005 World Summit to make proposals to the General Assembly for its consideration on the conditions and measures necessary for him to carry out his managerial responsibilities effectively. His delegation noted with regret that the report did not elaborate in detail on some of the Secretary-General's reform proposals, as requested in General Assembly resolution 60/260. Nevertheless, the report still provided enough substance for a meaningful discussion on management reform.

40. The European Union endorsed the establishment of the post of Chief Information Technology Officer to coordinate ICT initiatives within the Secretariat and to ensure that an adequate ICT perspective was incorporated in all major managerial decisions. It was important for the Officer to enjoy a largely independent position within the Secretariat.

41. The European Union supported the replacement of the Integrated Management Information System (IMIS). Although IMIS had served the Organization relatively well in the past, the increasing demands on the System, including the proposed introduction of new accounting standards, necessitated its replacement. The first major task of the new Chief Information Technology Officer should be to accurately establish the user needs for a new system and to prepare a call for tenders. The European Union supported the introduction of IPSAS, as the current United Nations standards no longer addressed the need for a modern, transparent and accountable Organization. The switch to new accounting standards was overdue and would benefit the Organization and all Member States.

42. One of the main priorities of the European Union remained increased efficiency, effectiveness and accountability in budgetary implementation. Restrictions on the Administration's management of available resources generally failed to achieve adequate control and accountability, and put undue strain on efficient programme delivery. In order to give the Secretary-General the necessary tools to implement the budget efficiently and fully preserve the

prerogatives of the General Assembly, the Secretary-General should be given limited discretion in budgetary implementation in accordance with Assembly resolution 60/246.

43. The European Union therefore agreed that the Secretary-General should be authorized to transfer up to 10 per cent of appropriations between sections of the budget, within parts, during the budget implementation period and to undertake post actions for up to 10 per cent of posts within and between the three broad categories mentioned in the report. The Secretariat must also be fully accountable to the General Assembly for any use of its discretion. Any changes to the current system should preserve the prerogative of the General Assembly to consider and approve resources.

44. The Advisory Committee raised some pertinent questions about the scope of the discretion to be granted to the Secretary-General and about accountability procedures, and requested the Secretary-General to clarify those points. However, it was within the purview of Member States to specify the scope of such discretion and the accountability mechanisms which accompanied it.

45. The European Union supported proposals to improve the current reporting mechanisms to enhance transparency and accountability and fully supported the Advisory Committee recommendation to the Secretary-General to concentrate on developing a comprehensive financial and programme report for the General Assembly. The European Union also endorsed the related proposal for developing a policy for public access to United Nations documentation.

46. The European Union welcomed the proposal for consolidation of peacekeeping accounts, which would ensure the liquidity of individual missions, facilitate the prompt reimbursement of troop-contributing countries and make assessments less frequent and more predictable. It noted with satisfaction that the proposal had been revised to preserve the linkage between peacekeeping assessments and Security Council mandates.

47. The European Union was committed to achieving results on those proposals by the end of the second part of the resumed session. The Committee should try to avoid procedural debates and should focus on the discussion of the substantive proposals before it.

48. **Mr. Hill** (Australia), speaking also on behalf of Canada and New Zealand, said that management reform would enable the United Nations to produce better results. It was essential for the Committee to achieve tangible outcomes on management reform before the end of the resumed session.

49. The Advisory Committee's report (A/60/870) provided helpful guidance on such issues as ICT and IPSAS, although, on other issues, more explicit recommendations would have been welcome. The Advisory Committee's comments on accountability were particularly important, serving as a reminder that accountability had multiple elements, that strengthening accountability was an ongoing task and that, while the Secretary-General's proposals would contribute to that process, more work remained to be done. Among the key objectives of management reform were to ensure that resources were devoted to activities that mattered, that they were used efficiently and effectively, and that Member States could connect those resources with the outcomes sought.

50. The modernization of information technology and the adoption of IPSAS were basic building blocks of management reform, and the delegations for which he spoke strongly supported the related proposals of the Secretary-General. They also supported the creation of a post of Chief Information Technology Officer to provide leadership that cut across departmental lines. As detailed analysis of the requirements for a new enterprise resource planning system went forward, it would be important to ensure that the needs of peacekeeping operations and the functionality of the system in the field were taken fully into account. The three delegations agreed with the Advisory Committee that business processes must be carefully reviewed as an integral part of the project.

51. The three delegations were strongly committed to increasing the Secretary-General's managerial discretion. They noted that, in line with General Assembly resolution 60/260, the proposals made regarding the exercise of discretion in budget implementation (A/60/846/Add.2) were more limited than those contained in the Secretary-General's previous report (A/60/692 and Corr.1). Under the new proposals, the Secretary-General would be permitted to transfer appropriations between budget sections, rather than between parts of the budget, and would be accountable to the General Assembly through performance reporting. The three delegations were

puzzled by the Advisory Committee's advice on the proposals, which was at odds with the positions it had previously taken. While the issues of managerial discretion and accountability were complementary, they were also very complex, and concerns about accountability should not impede the implementation of solutions that made sense from a managerial perspective. Accordingly, in considering managerial discretion, Member States should focus on determining the best place for certain operational decisions to be taken.

52. With regard to the proposal to consolidate the peacekeeping accounts, the central issue was whether financial obligations in respect of peacekeeping operations should be met from a single cash pool. The three delegations believed that there were good reasons for doing so.

53. The three delegations supported reporting that presented relevant information to Member States and the public in a clearer, more accessible manner. It was within the purview of the Secretary-General to submit an annual report on the performance of the Organization, and he should be encouraged to do so. Lastly, the three delegations welcomed the initiative to enhance public access to United Nations documentation and wished to receive information concerning the proposed modalities.

54. **Ms. Juul** (Norway) said her Government agreed with the Secretary-General that a radical overhaul of the rules, structure, systems and culture of the Secretariat was necessary, given the need to meet new challenges and to correct unacceptable weaknesses in the Organization and its management. Although some progress had been made on management reform, more must be done to restore the Organization's credibility and enhance its effectiveness. Her delegation encouraged the Secretary-General to continue to carry out reform measures such as strengthening managerial accountability within the Secretariat.

55. Among the management reform proposals contained in the detailed report of the Secretary-General (A/60/846 and Add.1-4), those relating to financial and budgetary management were of particular strategic importance. Her delegation concurred that there was a gap between what Member States mandated the Organization to do and the resources made available to it. There was a need to reach agreement on the establishment of a reserve fund, increases in the Secretary-General's commitment authority for peacekeeping operations and in the level of the Working Capital Fund, the consolidation of the peacekeeping accounts and the adoption of international accounting standards.

56. A prerequisite for sound financial management of the Organization, however, was the full and timely payment by Member States of their contributions. The unfortunate fact that not all Member States paid their assessments in full and on time made the cash situation of the Organization volatile. Her delegation therefore welcomed the proposal to charge interest on Member States' arrears. Any measure to improve the cash situation as compensation for the failure to make payments should be coupled with measures to encourage the payment of arrears.

57. Her Government had endeavoured over the years not to undermine the Secretary-General's authority with overly detailed resolutions on budgetary and administrative issues. The extent of the Secretary-General's flexibility, and therefore his ability to manage the Organization efficiently, depended not only on the extent to which Member States authorized him to redeploy resources within a budget period, but also on the content of the budget resolutions and the budget level itself. The tendency to go into detail and micromanage was apparent even in the current budget negotiations.

58. Her Government had long advocated stronger executive leadership for the United Nations and greater authority for the Secretary-General in budget implementation. All Member States recognized that the Secretary-General should have limited discretion in budget implementation and that mechanisms for ensuring accountability in the exercise of that discretion should be established. The time had come to define the parameters of such discretion.

59. Lastly, she agreed that another prerequisite for good management was an updated and integrated ICT system. The Organization would also benefit from guidelines for public access to United Nations documentation.

60. **Ms. Pierce** (United Kingdom) said that the proposals before the Committee were important for the future of the United Nations and represented a vital part of the follow-up to the 2005 World Summit. The Secretary-General had put forward moderate proposals on management reform and had agreed to formulate

proposals on accountability, which was a critical component of the reforms. It was possible to have accountability that made good managerial sense. The proposals provided a good opportunity to strengthen the United Nations and to meet the objectives set forth by the Heads of State and Government at the Summit.

61. Reform was not an end in itself. Rather, it was a means of increasing the Organization's effectiveness in development, security, humanitarian and other areas. For that purpose, Members must work constructively and in a spirit of compromise, and must avoid procedural wrangling. The Committee should move swiftly to questions and answers on the details of the proposals and then to serious discussion of a draft resolution.

62. **Mr. Simancas** (Mexico) said that the reports under consideration would help to guide the work of the Committee in the immediate future. Some of the Secretary-General's proposals could be implemented in the near term. Other proposals required further clarification or elaboration so that Member States could take informed decisions based solely on the best interests of the Organization and not on other considerations.

63. **Mr. Woeste** (Germany) said that the proposals before the Committee were in line with the decisions taken at the 2005 World Summit and were a good basis for successful reform efforts. They were important for improving and modernizing the United Nations. Member States should embark on negotiations on the proposals as quickly as possible, in a spirit of consensus, to meet the needs of the Organization in a way that would satisfy all delegations.

64. **Ms. Peyronnet** (France) echoed the comments made by the representative of Germany, adding that Member States should seize the opportunity to strengthen the Secretary-General's decision-making authority within the Secretariat, together with the necessary oversight and accountability mechanisms.

65. **Ms. Rosini** (Italy) said that, after 60 years, many procedures and much of the structure of the Organization were in need of improvement and updating. The Secretary-General's proposals would help to meet the clear need for more effective programme delivery. Her delegation therefore welcomed the renewed atmosphere of constructive dialogue within the Committee on the issue.

66. **Mr. Van den Bossche** (Belgium) echoed the views expressed by the representatives of Germany and France, adding that it was very important to re-establish a climate of trust among Member States and to concentrate on the substance of the proposals.

67. **Mr. Hussain** (Pakistan) said that his delegation agreed that reform was imperative. Regrettably, the imposition of conditionalities by certain delegations had vitiated the atmosphere of trust and confidence that was so crucial for the successful implementation of reform. Furthermore, his delegation was perplexed at the desire of some countries to reform a body on the brink of financial collapse. The first priority of Member States should be to ensure the Organization's financial solvency, so that it could look to the future with confidence. Without that confidence, all discussion of reform would remain disconnected from reality.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Business analysis on the possibility of constructing a new permanent building on the North Lawn (A/60/7/Add.38 and A/60/874)

68. **Mr. Reuter** (Executive Director of the Capital Master Plan Project), introducing the report of the Secretary-General entitled "Capital master plan: business analysis on the possibility of constructing a new permanent building on the North Lawn" (A/60/874), said that an initial three-week analysis, conducted at no cost, had indicated that there would be a cost advantage in the long term in undertaking such a project. Given the time constraints, the analysis had been limited to reviewing the economic aspects of the proposed building. It had not taken account of security, architectural or host city and community issues. The cost of a full study, which would take at least one year to complete, was estimated at 1 per cent of the anticipated cost of construction.

69. Given the state of the existing Headquarters buildings and the urgent need for renovation, the Secretary-General recommended that any decision on a long-term real estate strategy should be considered separately from, and made independently of, the decision regarding the strategy on the capital master plan. He emphasized that the successful implementation of the capital master plan was not

conditional on the construction of a new permanent building on the North Lawn.

70. In the Secretary-General's previous report on the capital master plan (A/60/550), the General Assembly had been requested to approve the recommended strategy for implementation of the capital master plan, strategy IV (phased approach); to approve a revised project budget of $1,587.8 million for strategy IV, excluding potential scope options; and to approve a funding plan for the capital master plan based on a direct multi-year assessment. Prompt approval of the funding plan was critical if Member States' legislative bodies were to complete their respective budget cycles in time to provide the initial funds required for construction take-off by 1 January 2008.

71. In order to prevent further cost escalation for the renovation of the existing Headquarters buildings, he urged the Committee to act on the recommendations contained in document A/60/550 without further delay and to defer to a later date consideration of the possibility of constructing a permanent building on the North Lawn in the context of a long-term real estate strategy.

72. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/60/7/Add.38), said that the concept of a building on the North Lawn to consolidate office space was a completely separate matter from the question of swing space, and the Advisory Committee had considered it independently of any other elements relating to the capital master plan. The Secretary-General's report raised well-founded concerns about the merit and feasibility of building on the North Lawn. The Advisory Committee had therefore concluded that the conduct of a feasibility study was not merited at the current stage.

73. The plans for the renovation of the Headquarters buildings must be approved without any further delay. The Advisory Committee therefore recommended approval of the recommendations contained in paragraph 22, subparagraphs (a), (b) and (c), of the Secretary-General's report.

74. **Mr. Drofenik** (Austria), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Serbia; and, in addition, Iceland, Norway, the Republic of Moldova and Ukraine, said that the capital master plan was a very important and urgent project. The Headquarters complex was a safety hazard for staff, delegations and visitors alike, wasted energy and was in constant need of repair. A decision was required on the strategy for implementing the capital master plan in order to avoid postponing the start of construction. The European Union strongly supported strategy IV, which constituted the most sensible approach with the fewest obstacles. It invited those countries that had not yet done so to express their support for strategy IV. It was in the interests of all concerned to avoid any further delay, not only because of the resultant cost escalation, but also because of the life-endangering condition of the buildings. The European Union was committed to transforming the vision of the capital master plan into reality and called on the entire membership to work together towards the swift completion of the project.

75. **Mr. Wallace** (United States of America) said that, as the capital master plan project moved forward, his delegation would stress the need for transparency and strong oversight. The Committee's focus at the current stage should be on reaching a decision with regard to the project implementation strategy. Such a decision must provide clear direction on the continuation of preconstruction work and on the use of the funds approved by the General Assembly in May 2006. Noting that some $20 million of those funds had already been spent, he requested a breakdown of that expenditure and of the expenditure incurred against the commitment authority provided. His delegation agreed that strategy IV represented the best way forward. While the question of constructing a new permanent building deserved careful consideration, his delegation agreed with ACABQ that it should be dealt with separately from the capital master plan. Lastly, it trusted that the Administration would fill the post of Executive Director of the Capital Master Plan Project as soon as possible following the departure of the current incumbent.

76. **Mr. Reuter** (Executive Director of the Capital Master Plan Project) said that he would reply to the questions put in informal consultations.

Agenda item 135: Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (*continued*) (A/60/844 and A/60/854)

77. **Ms. Nowlan** (Office of Programme Planning, Budget and Accounts), introducing the revised estimates arising in respect of Security Council resolution 1660 (2006) on the appointment of reserve judges at the International Tribunal for the Former Yugoslavia (A/60/844), said that the Security Council had authorized the Secretary-General, at the request of the President of the International Tribunal, to appoint reserve judges from among the ad litem judges elected in accordance with article 13 ter of the Statute of the Tribunal to be present at each stage of a trial to which they had been appointed and to replace a judge if that judge was unable to continue sitting. The additional requirements in connection with the appointment of up to three reserve judges for the biennium 2006-2007 were estimated at $896,600. Every effort would be made to meet those additional requirements within the current appropriation, and the actual expenditures would be reported in the context of the second performance report for the biennium 2006-2007. The action to be taken by the General Assembly was described in paragraph 12 of the report.

78. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/60/854), said that the Advisory Committee recommended that the General Assembly should take note of the Secretary-General's report and request him to submit any additional requirements that might arise from the appointment of the three reserve judges in the context of the second performance report for the biennium 2006-2007.

79. **The Chairman** said that the Committee was urged to take a decision on the matter at the earliest opportunity.

The meeting rose at 11.50 a.m.

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Summary record of the 61st meeting
Held at Headquarters, New York, on Monday, 19 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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06-39446 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 128: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

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Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Investing in the United Nations: for a stronger Organization worldwide: detailed report (*continued*) (A/60/846 and Add.1-4 and A/60/870)

Policies of United Nations system organizations towards the use of open source software in the secretariats (*continued*) (A/60/665 and Add.1)

1. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group, at its recent Special Ministerial Meeting in Putrajaya, Malaysia, had reaffirmed its strong support for the United Nations and for collective efforts to enhance its ability to implement its mandates fully and deliver its programmes effectively, while stressing that the legitimacy and viability of any reform measures depended ultimately on the broad support of Member States and staff. The statement adopted at the meeting would continue to guide the Group during the forthcoming negotiations.

2. The Group had also maintained that Member States must demonstrate their commitment to the United Nations by ensuring that it received adequate and predictable resources. The Organization could not perform effectively if it was expected to undertake more tasks within stagnant budget levels. Member States could not call for reform, on the one hand, and take action that brought the United Nations to the brink of financial insolvency, on the other.

3. The Group was prepared to finance the additional costs resulting from the adoption of reform measures as revised appropriations and trusted that other Member States would demonstrate their commitment to reform by increasing existing budget levels. For too long, Member States had tried to finance new activities from within existing resource levels. Such a practice was unrealistic and undermined the functioning of the United Nations.

4. The Group of 77 and China had always maintained that proposals touching on the role and prerogatives of Member States in the General Assembly fell outside the scope of the decisions taken at the 2005 World Summit and bore no relation to management reform. She hoped that those concerns had been laid to rest once and for all. However, it was regrettable that the Secretariat had not fully implemented General Assembly resolution 60/260 and had resubmitted proposals which bore no relation to management reform and had led to very divisive discussions. The proposal to give the Secretary-General limited discretion in budget implementation (A/60/846/Add.2) was a clear case in point, as it did not respond to General Assembly resolution 60/246 or 60/260 and therefore could not be considered. It would be prudent for Member States to avoid embarking on a potentially divisive negotiation on such a controversial issue.

5. The Group had called on the Secretary-General to fully implement resolution 60/260 and had stressed that proposals not endorsed by the General Assembly should not be resubmitted. In that regard, she pointed out that the General Assembly, by its resolution 60/260, had already pronounced itself on the proposals relating to the charging of interest on arrears, a public access policy and the consolidation of performance and financial information into one annual report. The Group expected that the relevant provisions would be respected, as implementation of resolutions should be part and parcel of efforts to increase the Secretariat's accountability.

6. Turning to those proposals that were related to management reform, she said that, on the subject of information and communication technology (ICT), the Group firmly supported the development of a comprehensive ICT strategy and an increase in the resources allocated to training and ICT. The Group also supported the creation of a post of Chief Information Technology Officer at the Assistant Secretary-General

level, and asked the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to clarify its recommendation that the post should be created through redeployment. It looked forward to receiving information on the composition, structure and reporting lines of the proposed new office, as well as its interaction with other Secretariat structures.

7. The Group also supported the proposal to replace the Integrated Management Information System (IMIS) with a next-generation enterprise resource planning (ERP) system or other appropriate solution. It looked forward to the findings of the detailed study and costing plan that the Secretary-General had undertaken to submit to the Assembly at its sixty-first session, and trusted that the study would respond to the issues raised by ACABQ and by the Assembly in section IV of resolution 60/260. The Group noted the potential savings that could be achieved through the use of open source software and expected that the study would elaborate on that element, as requested in section V of the resolution.

8. Turning to the proposals to improve financial management practices, she said that, in the interest of maintaining and enhancing the credibility, transparency and accountability of financial processes and transactions, the Group supported the proposal that the United Nations should adopt the International Public Sector Accounting Standards (IPSAS) for its financial statements. It further concurred with ACABQ that the proposed timetable for implementation should be realistic and should be synchronized with the introduction of any new information technology system.

9. The Group also supported the proposal to increase the level of the Working Capital Fund, which had remained stagnant since 1981. The Group understood, however, that while the increase was justified from a technical point of view, it would not solve the bigger political problem of late payment of dues. The Group again called on all Member States to reaffirm their commitment to meeting their legal obligation to bear the Organization's expenses.

10. While the Group was sympathetic to the Secretary-General's request to use budgetary surpluses either to meet the Organization's unfunded liabilities arising from the after-service health insurance scheme or to finance an increase in the Working Capital Fund, it noted that the Secretary-General would not have had to make such a proposal if Member States had met their commitment to the Organization in full, on time and without conditions. Pronouncements by some Member States that they might withhold their assessments were compounding the problem. The Group would require clarification on a number of issues, including whether or not the retention of surpluses would be a one-off measure and whether or not Member States' right to determine how surpluses due to them were used would be respected.

11. As for the proposal to consolidate the accounts of closed and active peacekeeping operations, the Group noted the indication that consolidation might provide a more predictable cash flow to peacekeeping operations, including those that traditionally faced cash shortages due to non-payment or late payment, and expedite reimbursements to troop- and police-contributing countries. It also noted that consolidation might have certain administrative advantages and enable the Organization to settle outstanding liabilities in the accounts of closed missions with cash deficits. Consolidation would not, however, solve the problem of non-payment or late payment of dues. In that regard, she noted the comments of ACABQ that those States that paid their assessments in full and on time might be subsidizing those that did not, and the Secretariat's acknowledgement that the overall availability of cash would continue to depend on the prompt payment of assessments by Member States. She would appreciate clarification of those matters during informal consultations.

12. The Group of 77 and China would continue to negotiate constructively through the Assembly's established processes. It was not helpful to make linkages between the various proposals and outcomes of the different negotiating processes or to set artificial deadlines for the consideration of proposals and the conclusion of negotiations. Member States had received a large number of technical proposals that would have a lasting impact on the work of the Organization and therefore required careful consideration. Reform was not an end in itself. Member States must take sensible decisions to ensure that the United Nations was able to undertake a broad range of activities in the immediate and longer terms.

13. **Mr. Malmierca Díaz** (Cuba) said that his Government attached great importance to the reform process and agreed that the United Nations must be made more efficient and effective, in line with the

purposes and principles enshrined in the Charter. His delegation reiterated its willingness to work with all Member States in seeking a consensus that was based on sovereign equality, transparency and inclusion and was free of impositions, threats and blackmail.

14. Imposing financial conditions would not help the reform process; rather, it would seriously undermine the Organization's ability to carry out its activities and would affect the willingness of many Member States to participate in an honest, open and constructive dialogue. His delegation therefore believed that the spending cap should be lifted without restrictions. If States genuinely wished to reach agreement, they should not impose negotiation packages in which some proposals or negotiation processes were held hostage to others, nor should they impose artificial deadlines on negotiations. All of the many proposals submitted would have an impact on the work of the Organization and therefore needed to be discussed in depth.

15. Unfortunately, some of the proposals contained in documents A/60/846 and Add.1-4 did not reflect the decisions contained in resolution 60/260. The proposals should therefore be reformulated to reflect the Assembly's requests. The Secretariat was not a negotiating party in the process and should therefore fully abide by Member States' decisions. His delegation was ready to consider the proposals contained in addenda 1, 3 and 4, but believed that many of them still needed to be fleshed out by the Secretariat. Moreover, while his delegation commended ACABQ on its very useful report, in some cases it would have appreciated more specific recommendations.

16. Any reform measures that were adopted would have a financial impact on the Organization, and that impact should be absorbed by Member States. The Organization's Members must not put more pressure on the Secretariat by asking it to implement measures with the same level of resources approved for the biennium. Such an approach would damage their credibility as countries that were committed to the Organization.

17. **Mr. Cho** Hyun (Republic of Korea) said that, although the four addenda to the Secretary-General's report (A/60/846/Add.1-4) fell short of the initial proposals, they still provided a good basis for achieving a more effective and efficient United Nations and contained many valid suggestions for enhancing the Secretariat and management.

18. Regarding ICT, his delegation supported the creation of a post of Chief Information Technology Officer with the responsibilities described in addendum 1. It concurred with ACABQ that, if established, the post should be held by an expert with extensive professional experience, in-depth knowledge and proven managerial ability. While acknowledging the pressing need to overcome ICT deficiencies in the United Nations system, his delegation believed that prudence was needed to prevent past mistakes from being repeated and to maximize the benefits by eliminating duplication, streamlining processes, increasing efficiency and productivity, and improving financial controls. The proposed Chief Information Technology Officer must play an instrumental role in such processes from the start.

19. His delegation noted the high cost estimate of $120 million and the linkage of ICT strategy with the adoption of a next-generation ERP system and the introduction of IPSAS. It expected that a more detailed, accurate and comprehensive analysis and plan, including cost parameters, would be presented to the General Assembly at its sixty-first session.

20. Regarding the Secretary-General's two proposals for limited discretion in budget implementation — namely, transfers between budget sections and redeployment, reclassificiation and conversion of posts — his delegation supported the idea of giving the Secretary-General more flexibility in managing the Secretariat and resources. It was in no one's interests for the Organization to be operated under rigid regulations that were no longer suitable for the Secretariat's mandates and activities. In return for such increased authority, Member States should be provided with enhanced accountability mechanisms. He hoped that the forthcoming addendum on accountability would give States a clearer understanding and greater assurances regarding accountability, which would facilitate progress in related areas. However, greater accountability without increased flexibility would make it even harder for the Secretary-General to manage effectively. The two must therefore move forward in tandem.

21. The discussion of addendum 3 required both technical clarifications and political decisions by Member States. Concerning the consolidation of peacekeeping accounts, his delegation recognized the benefits of increasing flexibility in the use of peacekeeping resources, including more consistent and

timely reimbursements to troop- and police-contributing countries. As such, the proposal merited favourable consideration. His delegation also appreciated the fact that ACABQ and the Secretariat had worked together to find an approach that maintained the link between peacekeeping assessments and specific Security Council mandates.

22. On the proposals to enhance the current reporting system, his delegation supported the Secretary-General's intention to submit a single, comprehensive annual report containing both financial and programme information. The comments of ACABQ on the need to define more clearly the purpose of the report and the target audience were valid and should be taken into account. His delegation concurred with ACABQ that, for the time being, the report should target Member States. His delegation also noted that paragraph 8 of addendum 4 stated that the planned report would not require action by Member States, but recognized the importance of feedback from Member States in validating and refining the report.

23. **Mr. Tarrisse da Fontoura** (Brazil) said that his delegation welcomed the recommendations made by the Joint Inspection Unit (JIU) in its report on policies towards the use of open source software (A/60/665). The organizations of the United Nations system should make greater use of open source software to ensure that all Member States could gain access to electronic information and materials without having to purchase specific software products. The purchase of software should not be a prerequisite for access to public information made available on the websites of organizations of the United Nations system.

24. His delegation noted with interest the information provided in the JIU report on the policies of Member States concerning open source software, including in developing countries. There was a need to improve South-South cooperation in the use of such software. His delegation expected that the Secretariat would submit a report with clear proposals on how to increase the use of open source software within the Secretariat, in accordance with General Assembly resolution 60/260.

25. In Brazil, open source software had been used to support public policies of digital inclusion aimed at poverty eradication and sustainable development. His delegation noted with satisfaction that the JIU report referred to Brazil's "PC Conectado" initiative, by which his Government subsidized the purchase of open source software-based computers by low-income citizens and small-business owners.

26. **Mr. Mumbey-Wafula** (Uganda) said that the sixty-first session of the General Assembly should be remembered for its constructive engagement on proposals aimed at achieving a better-performing United Nations, rather than for deadlocks during negotiations. To that end, States should focus on areas where immediate progress could be made. Proposals in areas such as ICT, IMIS, IPSAS and the Working Capital Fund — as well as those relating to the consolidation of peacekeeping accounts and the retention of budget surpluses, once they had been clarified — all had potential for faster progress. However, if States expected to reach a speedy consensus, they should be wary of pushing for contentious proposals such as the charging of interest on arrears, a public access policy and the consolidation of performance and financial information into one annual report.

27. **Mr. Ng'ongolo** (United Republic of Tanzania) said that all the Members of the Organization agreed on the need for effective reform measures. Reforms must promote and protect the interests of the entire membership, respect sovereign equality and maintain the international character of the Organization. As the proposals of the Secretary-General had been mandated by the 2005 World Summit Outcome, neither they, nor the Member States' response to them, should be seen as advancing the interests of only one, or a few, Member States.

28. His delegation supported the establishment of a new post of Chief Information Technology Officer. It trusted that, if the new post was approved, it would be filled in a transparent manner and in keeping with the principle of equitable geographical distribution. Recalling the abnormal recruitment practices described by the Office of Internal Oversight Services in its report on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717), which included hand-picking candidates not on recruitment shortlists, his delegation feared that, if such bad governance continued unchallenged, the Organization would never appropriately reflect its international character and would find its integrity and legitimacy undermined.

29. His delegation took the view that the Secretary-General should have limited discretionary powers to manage the Organization, provided those powers could be exercised without covert external influence. While it did not believe that current conditions were sufficient to guard against that risk, it could consider granting limited flexibility on a provisional basis and subject to open accountability to the Fifth Committee. Though it welcomed efforts to introduce more credible accountability measures, it cautioned against adding more measures in rapid succession without waiting to see how well they worked. Furthermore, it was concerned that some of the proposals for giving the Secretary-General budgetary discretion overstepped his mandate, and reminded the Committee that intergovernmental bodies' programme planning, budgeting and evaluation roles could not be transferred to the Secretary-General. It therefore endorsed the recommendations of the Advisory Committee on the subject of flexibility.

30. The United Republic of Tanzania welcomed the proposal to consolidate the budgets of all peacekeeping missions, since it had found that frequent requests for the payment of various assessed contributions had impaired its ability to honour its financial obligations to the Organization, and its payment pattern had improved after it had requested a consolidated statement of all the amounts due. While it understood the concerns expressed about the delinking of peacekeeping assessments from the duration of Security Council mandates, such delinking would facilitate Member States' financial planning. Thus, when Member States were notified of their contributions, they should also receive details on projected contributions beyond the end of the current mandate period.

31. The United Nations should make its documents more widely accessible so that the public could learn about the benefits of the Organization's functions and how well it was fulfilling them. Not providing such access increased the risk that the public would be given distorted information. His delegation viewed the proposed annual performance report as a step in the right direction, disagreeing with the Advisory Committee's opinion that it would be too technical for the general public and not detailed enough for the Member States. The intellectual capacities of the public were not uniform. However, the report should not be made available simultaneously to the Member States and the general public; instead, the Organization should issue it to the Member States first, to allow them to take the appropriate action, and only then release it to the public. Similarly, his delegation wondered how the current institutional arrangements of the General Assembly and Economic and Social Council, whereby the Assembly's six Main Committees considered reports separately, would be affected by consolidation of reporting in the Organization. Perhaps consolidation could be made experimental, depending on the issue and the Main Committee involved.

32. The Organization must be brought closer to the public, which must have more access to information on United Nations activities. Strengthening multilingualism and the Organization's information centres throughout the world would strengthen the Organization itself.

33. **Mr. Yáñez Pilgrim** (Bolivarian Republic of Venezuela) said that his delegation shared the views expressed by the representative of Brazil on the use of open source software in the United Nations system. His own country had made significant progress in the use of such software and was debating a decree-law on its use in government institutions as a means of democratizing knowledge and information technology and of achieving savings in that area.

34. **Mr. Oshima** (Japan) said that, in the wake of the 2005 World Summit, Japan remained strongly committed to strengthening the Organization through reforms to improve transparency, accountability and effective and efficient administration of human and financial resources. Those goals should be implemented in a consistent manner, within a reasonable time.

35. His delegation looked forward to thorough discussion of procurement reform following the forthcoming detailed report of the Secretary-General on that subject. Believing that the modernization of ICT in the Organization was essential for efficient resource management, Japan recognized the need for a Chief Information Technology Officer to lead planning and implementation, and urged that the individual recruited to that post should have strong professional experience and management ability.

36. The General Assembly, in its resolution 60/246, had recognized the need to give the Secretary-General limited discretionary authority in budget implementation. The delegation of Japan had joined

others in promoting such a step as one of the pillars of management reform. The questions remaining to be settled were the extent of that discretionary authority, the conditions under which it should be exercised and the accountability arrangements that should be attached to it. However, the existing authority for redeployment of up to 50 posts, established by the General Assembly in resolutions 60/246 and 58/270, had never been fully used, largely because of lack of funding. Programme managers were expected to give up posts under their control voluntarily, an approach which was unlikely to succeed.

37. While his delegation did not challenge the motivation for the proposals to give the Secretary-General more flexibility in the allocation of resources and posts (A/60/846/Add.2), it saw them as probably too ambitious to win consensus. Instead it favoured a more modest solution which struck a balance between the Secretary-General's desire for greater managerial responsibility and Member States' desire for more accountability to the General Assembly. The Secretary-General, on an experimental basis, should be given discretion to utilize savings in staffing costs resulting from the gap between projected vacancy rates and actual vacancy rates, up to a ceiling of 1-2 per cent of post costs, and be allowed to use the resulting resources for emerging priority needs such as filling temporary posts and providing general temporary assistance for mandated programmes and activities. That flexibility should be exercised only with the concurrence of the Advisory Committee, which acted on behalf of the General Assembly. The Secretary-General should report on the use of his discretionary authority in the context of the performance reports.

38. While the consolidation of peacekeeping accounts might have some benefits for timely reimbursement to troop- and police-contributing countries, the more fundamental cause of delayed reimbursement to those countries — non-payment of assessed contributions — must be addressed. In accordance with the unique budgeting and assessment arrangements for peacekeeping missions, from which there must be no deviation, the Security Council decision establishing a mission's mandate allowed assessment letters to be issued to Member States for that mission. There were no grounds for treating each peacekeeping mission as a section of the total peacekeeping budget, by analogy with the regular budget. Moreover, as the Advisory Committee had pointed out, the scope and quality of information on peacekeeping financing must be maintained. While the delegation of Japan could not accept the proposals in paragraph 112, subparagraphs (b) to (i), of document A/60/846/Add.3, it was prepared to consider technical adjustments that would enable the Secretary-General to use assessed contributions for peacekeeping operations more efficiently.

39. **Mr. Repasch** (United States of America) said that the Fifth Committee was preparing to take concrete action on an array of reforms intended to modernize the Secretariat and move forward in implementing the 2005 World Summit Outcome. To that end, the Member States must begin their review of the mandates of the Organization, identifying any that were obsolete or ineffective or that were not priorities for early action. While his delegation regretted that the initiatives set out in the original report of the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692) had been scaled back, it stood ready to engage in discussions aimed at reaching agreement on tangible and significant improvements.

40. Some modest progress had been made since the World Summit, including establishment of the much-needed Ethics Office; strengthening of financial disclosure requirements for staff members; protection from retaliation for reporting misconduct; and provision of the resources needed for oversight. The next step was to demonstrate that the Organization and its Member States were fully engaged in what United States Secretary of State Condoleezza Rice had termed a "lasting revolution of reform" that would fully equip the United Nations to address the complex array of challenges confronting the global community.

41. Believing that the modernization of ICT infrastructure was a critical requirement for a modern and more effective Organization, the United States endorsed the recommendations of the Advisory Committee in that regard and expected that maximum efforts would be made to fund those and other reform requirements with efficiency savings and offsets. It also agreed with the Secretary-General's plan for a comprehensive annual report and with the Advisory Committee's comments on that subject. It strongly endorsed the proposal to elaborate a clear policy for public access to United Nations records.

42. Having long believed that the existing budget practices were not compatible with the needs of a modern, priority-driven organization, his delegation did not share the Advisory Committee's views on budget transfers and staffing-table adjustments, although it did support the call for improved accountability. It looked forward to additional discussion of the proposal and to hearing the Advisory Committee's reasoning. It was pleased that the Secretary-General and the Advisory Committee agreed on the need for the Organization to adopt internationally recognized accounting standards, and endorsed the proposal concerned.

43. Recalling the Secretary-General's recent remarks to the press on the need for the Member States to overcome artificial North-South divisions and act together to achieve their shared vision of the Organization, the United States delegation looked forward to reaching agreement on a package of reforms that would be a source of pride.

44. **Mr. Traystman** (United States of America) said that, while his delegation appreciated the efforts of the Joint Inspection Unit (JIU) to explore the use of open source software in the United Nations system, it believed that the JIU approach had been too narrow. In contrast, it had found the comments of the United Nations System Chief Executives Board for Coordination (CEB) on the JIU report to be balanced and objective. The Board had expressed disappointment at the lack of an analysis of the potential and constraints of such software, at the absence of a review of its use in the United Nations system and at the exclusive focus on access to public information.

45. His delegation questioned the expertise of JIU to carry out such a technical, highly specialized study, and wondered whether it had engaged a team of experts able to approach the subject objectively and comprehensively. It would like clarification of the quality control process used by the inspectors to review and approve the report, which — because of its concerns — the United States delegation was unable to endorse.

46. The United States delegation recommended that the organizations of the United Nations system should be guided by paragraph 27 of the Declaration of Principles adopted in the first phase of the World Summit on the Information Society, held in Geneva in December 2003, which referred to the role of all software models — including proprietary, open-source and free — in promoting access to knowledge.

47. **The Chairman** said that the Joint Inspection Unit would be asked to supply a written response to the concerns just expressed by the United States delegation.

48. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that, if JIU was to respond to the concerns raised about its report, her Group — which mostly supported the recommendations in the report — would prefer the Secretariat to arrange a videoconference link to widen the debate to include all the delegations.

49. **Mr. Abelian** (Secretary of the Committee) said that the Secretariat would endeavour to arrange a videoconference link, as requested.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Business analysis on the possibility of constructing a new permanent building on the North Lawn (A/60/7/Add.38 and A/60/874)

50. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group continued to fully support the comprehensive plan for the refurbishment of the United Nations Headquarters complex and regretted that the Secretariat had been deprived of the funds necessary for the refurbishment to proceed expeditiously. The Group noted that owing to the lack of sufficient time and resources, many details which would have facilitated the debate on the proposal for constructing a new permanent building on the North Lawn had not been taken into account in the Secretary-General's report on the subject A/60/874. For example, the analysis excluded the important aspects of security and architectural concerns and provided no information or analysis with respect to swing space requirements.

51. The Secretary-General had recommended that the matter of a permanent building should be considered independently from the renovation. In its report (A/60/7/Add.38), the Advisory Committee had supported that approach. While there might be no other choice at the moment given the urgency of the situation, the Group took issue with the Advisory

Committee's statement that the issues of a permanent building and swing space were not linked.

52. The concept of a new building on the Robert Moses Playground which would provide swing space and subsequently be utilized as a consolidation building had been integral to the capital master plan when it had been approved by Member States. Much of the current additional cost of implementing the capital master plan stemmed from the host country's reneging on commitments and from the consequent breakdown of many of the assumptions that had initially underpinned it, including the availability of swing space.

53. The Group did not wish to see any further delay in the project's implementation. While the adoption of a phased approach (strategy IV) might seem to be the most feasible choice in the near term, the option of having additional capacity through the construction of a new building should remain open, and concerted efforts should be made to undertake a more detailed, thorough and objective analysis of the idea of a new permanent building on the North Lawn.

54. **Mr. Torres Lépori** (Argentina), speaking on behalf of the Rio Group, said that the Group reaffirmed its strong support for the capital master plan and remained committed to acting promptly in order to avoid further deterioration of the Secretariat Building and the work environment of the staff. The report of the Secretary-General provided a very good basis for bridging gaps and reaching a consensus on the matter. The report of the Advisory Committee also provided broad guidelines that would greatly help the Committee in its deliberations. The General Assembly must also fully consider factors that had not been addressed in the Secretary-General's report, including security, architectural issues and host city and community issues. Lastly, the Secretariat should be mindful of the artistic heritage of the Organization and should ensure that all works of art were properly handled during the refurbishment period.

55. **Ms. Zobrist Rentenaar** (Switzerland) said that her delegation supported the conclusions and the recommended course of action outlined in the report of the Secretary-General. From the outset, her delegation had considered the construction of a new permanent building on the North Lawn a worthy option which made economic and long-term corporate sense. Her delegation would have preferred strategy III, as outlined in the third annual progress report (A/60/550), provided that the new building could be used for swing space. Time constraints, however, had ruled out that option. Her delegation therefore fully supported the Secretary-General's recommendation that the issue of the Headquarters renovation should be kept entirely separate from any plan to construct a new permanent building.

56. At the current late stage, the Committee must focus on the urgent need to renovate the Headquarters complex in order to ensure the safety and well-being of its occupants, and to move forward decisively with strategy IV. Any further delay must be avoided, given the cost escalation of $10 million a month.

57. Although her delegation did not currently have a firm position, it did not agree with the Advisory Committee that there was no merit in conducting a comprehensive feasibility study on the construction of a new building. That question must be carefully considered, and her delegation looked forward to taking it up at the sixty-first session of the General Assembly. In the meantime, no action should be taken that would preclude the construction of a new permanent building at some future date.

58. **Ms. Rodríguez Abascal** (Cuba) said that the Committee was largely in the same position as it had been when the first report of the Secretary-General on the capital master plan had been presented to it some six years previously. As in previous sessions, the item had been introduced at a late date, which had made it difficult or impossible to settle the existing differences among Member States. Her delegation attached particular importance to improving the Headquarters complex and the services provided to Member States, because that would facilitate the legislative process and protect those working at Headquarters from negative health effects.

59. It should be asked why the United Nations was in such a situation. Neither the City or State of New York nor the United States Congress had honoured their commitment to facilitate the construction of a new building to serve as swing space during the renovation. In 2005 the host country had obstructed the approval of the funds necessary for the proper functioning of the Office for the Capital Master Plan and for the plan's implementation. That attitude contrasted with the one displayed by other countries that hosted United Nations entities in their territory.

60. While strategy III was the best option in the long term, the time had come to work on the basis of strategy IV. However, her delegation would seek further details, in informal consultations on the possibility of completing a new building in the future.

61. **Mr. Golovinov** (Russian Federation) said that the item under discussion had been on the agenda for a long time. Unfortunately, there had not been much progress in resolving such fundamental issues in connection with the renovation as the financing of the project and the commencement of the renovation itself. Meanwhile, the cost of the project was growing.

62. His delegation was prepared to discuss the issue in a constructive manner on the basis of strategy IV. His Government would maintain its fundamental position that the project should be financed through direct assessments on Member States. With respect to the proposed mechanisms for covering the costs of the project in the event that individual Member States failed to abide by their financial obligations to the Organization, including guarantees in the form of letters of credit, additional costs arising from delays in the payment of contributions must be covered by the Member States responsible for those delays.

63. The strategy for a phased approach should be implemented in accordance with the current staffing levels and organizational structure of the Secretariat. The strategy itself did not involve any changes in the working methods or location of any Secretariat service or department. After temporarily moving into swing space, all Secretariat staff must be able to return to their renovated offices.

64. Given the scope of the project and the proposed delegation of broad authority to the management firm, it was particularly important to comply strictly with the rules and procedures of the Organization and relevant General Assembly resolutions governing the financial, administrative, budgetary and procurement activities of the United Nations during the project's implementation, regardless of the choice of strategy. During the selection of the management firm and the competitive bidding process, the Office of Internal Oversight Services and the Board of Auditors should closely monitor that issue.

65. **Ms. Udo** (Nigeria) said that the experts who had undertaken a cursory analysis of the possibility of constructing a new permanent building on the North Lawn had faced several constraints, including limited time to conclude the preliminary analysis, the absence of outside consultants and the fact that they had had to work for free. Nevertheless, they had been able to draw some preliminary conclusions. Neither the report of the Secretary-General nor the report of the Advisory Committee had mentioned the crucial issue of the fatigue caused by embarking on yet another strategy when a solution had seemed at hand. Despite those constraints, the capital master plan team had concluded that the United Nations would derive commercial advantages from constructing and owning a building as opposed to long-term leasing, based on the assumptions contained in paragraph 5 of the Secretary-General's report, and had recommended that the General Assembly should revert to the issue at its sixty-first session. It was therefore surprising that the Advisory Committee had deemed the conduct of a feasibility study unwarranted, on the ground that it would detract from the focus that the renovation project required from the Secretariat, even though the Secretary-General and the Advisory Committee had agreed that the two issues should be considered separately. Further clarification was needed on the matter, which should not simply be dismissed.

66. **Ms. Nowlan** (Office of Programme Planning, Budget and Accounts) said, in response to a question raised at the Committee's preceding meeting on current spending under the capital master plan, that some $19.7 million had been spent since the beginning of May 2006. The cost related mainly to the preparation of construction documents. No money had been spent under the commitment authority.

The meeting rose at 11.45 a.m.

United Nations A/C.5/60/SR.62

General Assembly
Sixtieth session

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Fifth Committee

Summary record of the 62nd meeting
Held at Headquarters, New York, on Tuesday, 20 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Expenditure authorization for the biennium 2006-2007

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06-39536 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Expenditure authorization for the biennium 2006-2007 (A/60/7/Add.40 and A/60/889)

1. **Mr. Sach** (Controller) introduced the report of the Secretary-General on the expenditure authorization for the biennium 2006-2007 (A/60/889), which was submitted pursuant to General Assembly resolution 60/247 A. By that resolution, the Assembly had appropriated an amount of $3,798.9 million for the programme budget for the biennium 2006-2007 and authorized the Secretary-General to enter into expenditure of a first tranche, limited to $950 million, as an exceptional measure. The Assembly had decided that, in order to ensure the availability of resources for programme delivery, it would act in response to a request from the Secretary-General, at an appropriate time, for expenditure of the remaining funds.

2. It was the view of the Secretary-General that the time had now come to request authorization to enter into expenditure above $950 million. Given the current pattern of expenditure, the Organization would run out of cash before mid-July 2006. Some lead time would be required for the Secretariat to implement any decision by the Assembly. The requested authorization would therefore have to be granted by the end of June 2006 in order to avoid significant disruption to the Organization's programmes.

3. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related report of ACABQ (A/60/7/Add.40), said that the Advisory Committee considered that its role should be to elicit from the Secretariat the relevant financial data with a view to determining the availability of resources for programme delivery. The information received was contained in the Advisory Committee's report. On the basis of those figures, it was clear that, under the current circumstances, the Secretary-General would reach the limit of his spending authority before the end of July 2006. The General Assembly might wish to take the foregoing into account when it considered what action to take.

4. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group supported the Secretary-General's request and called on the Committee to respond to it decisively and expeditiously. The Group was ready to endorse a decision to lift the spending cap without restriction. The imposition of the cap had undermined trust among Member States and impeded the Organization's work, including the adoption of a draft resolution on development. It had also led to numerous debates about the equal right of all Member States to participate in decision-making at the United Nations, irrespective of the size of their contributions. A decision to lift the cap would lay those questions to rest, as well as demonstrating Member States' commitment to ensuring that the Organization remained financially solvent.

5. During the negotiations on resolution 60/247 A, the Group had understood that the spending cap would be lifted automatically, at the request of the Secretary-General. It had not been aware of any link between the lifting of the cap and the progress of Member States' collective efforts to reform the United Nations. Furthermore, it had been assured that the cap was not intended to harm the Organization. The Controller had indicated that the time had now come to lift the cap, and the Committee should therefore release the remaining funds approved to implement the Organization's programmes.

6. He recalled that, at the Special Ministerial Meeting of the Group of 77 held in Putrajaya, Malaysia, in May 2006, the participants had stated that attempts by countries to use the size of their financial contributions to push for the adoption of certain proposals were counterproductive and violated the obligation of Member States to provide resources for the Organization, in accordance with the Charter of the United Nations. They had also underscored the need to lift the spending cap in order to avoid a crisis at the United Nations. In addition, they had reaffirmed the Group's commitment to United Nations reform, while stating clearly that such reform must not be linked to the issue of the cap.

7. Over the past 10 years, the Secretary-General had served the Organization with courage and vision. Member States should ensure that, in his final months of service, he had the resources necessary to fulfil the mandate bestowed on him by unanimously approving the lifting of the spending cap.

8. **Mr. Kovalenko** (Russian Federation) said that, taking into account the information contained in the

Secretary-General's report and the recommendation of ACABQ, his delegation was ready to permit the Secretary-General to enter into expenditure of the remaining funds approved in the context of the programme budget for the biennium 2006-2007.

9. **The Chairman** said that he had been requested to defer action on the matter so as to ensure that all delegations wishing to make statements on the Secretary-General's report had an opportunity to do so. That would also allow him to conduct consultations with interested Member States.

10. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group had no objection to the course of action suggested by the Chairman, which would afford Member States an opportunity to join the consensus and to resolve the issue before the Committee in a constructive and expeditious manner. However, it would be helpful to know which delegations had made the request.

11. **The Chairman** said that it was the practice of the Committee, when it considered issues of such import, to allow as many delegations as possible to make statements. Deferring action on the matter would also enable Member States to engage in consultations with a view to achieving a consensus.

12. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that it was his understanding that, in order for an item to be kept open, a request must be made to that effect. The Group wished to know which delegations had made the request and when the Committee would revert to the matter before it. While the Group wished to engage with other delegations, it could not work with Member States that operated in secret. Moreover, it was not helpful for the Committee to conduct its business under a cloud of suspicion.

13. **Mr. Pfanzelter** (Austria), speaking on behalf of the European Union, said that the European Union was committed to transparency, openness and frankness. However, it believed that the Committee would need more time in order to achieve an understanding. Furthermore, it would be helpful if the President of the General Assembly was able to participate in the consultations following his return from Geneva. The European Union trusted that an agreement could be reached that would satisfy all delegations and contribute to building a stronger United Nations.

14. **Mr. Ozawa** (Japan) said that his delegation, too, was committed to transparency. On Wednesday, 14 June 2006, at the invitation of the Chairman of the Group of 77 and China, the delegations of the United States of America, Austria and Japan had participated in constructive informal consultations with the Group. The three delegations had stated that they expected the spending cap to be lifted by 30 June 2006 and stressed their strong desire for a consensus decision on the matter. His delegation would do everything in its power to promote the spirit of cooperation necessary to achieve such an outcome.

15. **Mr. Wallace** (United States of America) said that a number of Member States wished to consult further in order to avoid making a precipitate decision. The Committee should allow them to do so.

16. **Mr. Hill** (Australia) said that the Committee had always operated by consensus. In order to achieve a consensus, delegations must have sufficient time to consult with one another.

17. **The Chairman** said that he would consult with all delegations and groups of delegations. He would update Members on the status of those consultations at the Committee's next formal meeting; the Committee could continue its consideration of the issue of the spending cap at that time. If he heard no objection, he would take it that Members wished to proceed in that manner.

18. *It was so decided.*

The meeting rose at 10.40 a.m.

United Nations A/C.5/60/SR.63

General Assembly
Sixtieth session

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Fifth Committee

Summary record of the 63rd meeting
Held at Headquarters, New York, on Friday, 23 June 2006, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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06-40190 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Expenditure authorization for the biennium 2006-2007 (continued) (A/60/7/Add.40 and A/60/889)

1. **The Chairman** drew attention to the Secretary-General's report on the expenditure authorization for the biennium 2006-2007 (A/60/889) and to the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/60/7/Add.40). He also drew attention to a letter dated 23 June 2006 that he had received from the President of the General Assembly expressing the latter's intention to assist Member States to reach a consensus decision, by 28 June 2006, authorizing the expenditure of the remaining funds appropriated under General Assembly resolution 60/247 A, and further drew attention to a draft decision which he, the Chairman, had submitted, whereby the Committee would decide to authorize expenditure of the remaining funds.

2. **Mr. Abelian** (Secretary of the Committee) read out the text of the letter from the President of the General Assembly.

3. **Mr. Kumalo** (South Africa), speaking on behalf of the Group of 77 and China, said that he was ready to support the draft decision submitted by the Chairman, but also supported the efforts being made to continue the consultations with a view to achieving a consensus. The Group noted the intention of the President of the General Assembly to conclude those consultations by 28 June 2006, and wished to state that the spending cap should be lifted without any conditionality whatsoever.

Agenda item 137: Financing of the United Nations Operation in Burundi (*continued*) (A/60/731 and Add.1 and A/60/893)

Agenda item 138: Financing of the United Nations Operation in Côte d'Ivoire (*continued*) (A/60/630, A/60/753 and Corr.1 and A/60/896)

Agenda item 140: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*) (A/60/669, A/60/840 and A/60/888)

Agenda item 152: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/60/634, A/60/724 and A/60/897)

4. **Mr. Sach** (Controller) introduced the Secretary-General's reports on the financing of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (A/60/669 and A/60/840), the United Nations Operation in Burundi (ONUB) (A/60/731 and Add.1), the United Nations Operation in Côte d'Ivoire (UNOCI) (A/60/630 and A/60/753 and Corr.1) and the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/60/634 and A/60/724).

5. As stated in the performance report for MONUC for the period 1 July 2004 to 30 June 2005 (A/60/888), the General Assembly, by its resolutions 58/259 B and 59/285 A, had appropriated $954.8 million for MONUC for 2004/05. Expenditure for the period had amounted to $900.9 million, resulting in an unencumbered balance of $53.9 million, or 5.6 per cent of the appropriation. The unencumbered balance was attributable to the delayed deployment of 14 military helicopters, the early termination of a commercial contract for 1 fixed-wing aircraft and the non-deployment of 7 aircraft, slower-than-planned deployment of military personnel and staff, and lower requirements for vehicles and for communications services.

6. The savings achieved had been partially offset by higher requirements for medical services owing to the expansion of services provided by three new military hospitals and higher requirements for separation and deployment costs resulting from a high turnover rate of United Nations Volunteers.

7. The action to be taken by the Assembly, as reflected in the performance report, had been overtaken by the provisions of its resolution 60/255 in connection with the funding of liabilities for after-service health insurance benefits. Consequently, the draft resolution on the financing of MONUC would reflect the credit to Member States of the total amount of $68.8 million, in a manner to be determined by the Assembly.

8. The proposed budget for MONUC for the period 1 July 2006 to 30 June 2007 (A/60/840) was estimated at $1,097.3 million, representing a decrease of $36.4 million, or 3.2 per cent, compared with the appropriation for 2005/06. The decrease was attributable to reduced requirements under air

transportation, lower requirements under facilities and infrastructure and communications, the acquisition of fewer vehicles, and reduced requirements under other supplies, services and equipment relating to the deployment of contingent-owned equipment.

9. Those reductions were offset by additional requirements relating to the projected full deployment of military and police units and the proposed increase of the Mission's civilian establishment by 142 international and 830 national staff. Requirements for MONUC had been based on the assumption that elections would be held by 30 June 2006. In connection with the delay in holding the elections and the pending determination of the full related resource requirements, the Secretary-General intended to absorb those requirements, to the fullest extent possible, from within the proposed 2006/07 budget. Related expenditures would be reported in the context of the Mission's 2006/07 performance report.

10. As reflected in paragraph 221 of the budget document, the action to be taken by the General Assembly included the appropriation of $1,097.3 million for 2006/07, assessment of $274.3 million for the period 1 July to 30 September 2006, and assessment of $823.0 million for the period 1 October 2006 to 30 June 2007, should the Security Council decide to continue the Mission's mandate.

11. The report on the financing of ONUB (A/60/731 and Add.1) related to a request for commitment authority for the period 1 July to 31 October 2006. The Secretary-General had originally planned to submit a full budget for ONUB for 2006/07, but felt it prudent to request commitment authority for the period 1 July to 31 October 2006, pending the decision of the Security Council on the Secretary-General's proposals in his report to the Council (S/2006/163), which included the planned withdrawal of ONUB by the end of 2006. Pursuant to the Council's decision, the Secretary-General would submit the full 2006/07 budget during the main part of the Assembly's sixty-first session. The action to be taken by the Assembly, as reflected in paragraph 38 of the report, included authorization for the Secretary-General to enter into commitments for the period 1 July to 31 October 2006 in an amount not exceeding $79.2 million.

12. Introducing the performance report for UNOCI for the period 1 July 2004 to 30 June 2005 (A/60/630), he recalled that the General Assembly, by its resolution 59/16 A of 29 October 2004, had appropriated $378.5 million for UNOCI for 2004/05. Expenditure for that period had amounted to $336.9 million, resulting in an unencumbered balance of $41.6 million, or 11.0 per cent.

13. The unencumbered balance was attributable to non-deployment of eight helicopters; reduced expenditure on equipment, rental of premises and utilities; the acquisition of fewer heavy vehicles to support contingents and fewer items of airfield support equipment; lower freight costs for contingent-owned equipment, lower rotation costs for military contingents and lower ration costs; and delays in the deployment of police personnel.

14. The action to be taken, as reflected in the performance report, had been overtaken by Assembly resolution 60/255 in connection with the funding of liabilities for after-service health insurance benefits. Consequently, the draft resolution on the financing of UNOCI would reflect the credit to Member States of $57.4 million, in a manner to be determined by the Assembly.

15. The proposed budget for UNOCI for the period 1 July 2006 to 30 June 2007 (A/60/753 and Corr.1) was estimated at $420.2 million, representing an increase of $1.4 million, or 0.3 per cent, compared with the appropriation for 2005/06. The increase was partially attributable to higher requirements relating to the projected full deployment of the staff approved in 2005/06 and the phased deployment of additional staff in 2006/07. The increase was offset by a 35-per-cent reduction in planned helicopter flight hours and a reconfiguration of the aircraft fleet, reduced acquisition for various items of equipment, and reduced requirements for freight costs for contingent-owned equipment.

16. The action to be taken by the Assembly, as reflected in paragraph 38 of the report, included the appropriation of $420.2 million to maintain the operation in 2006/07, assessment of $192.0 million for the period 1 July to 15 December 2006, and assessment of $228.2 million for the period 16 December 2006 to 30 June 2007, should the Security Council decide to continue the mandate.

17. Subsequent to the submission of the proposed budget for UNOCI for 2006/07, the Security Council, by its resolution 1682 (2006), had authorized, until 15 December 2006, an increase in the strength of

UNOCI of up to 1,500 additional personnel, including a maximum of 1,025 military personnel and 475 civilian police personnel. In light of that decision, the Secretary-General intended to submit a revised budget for UNOCI for 2006/07 for consideration by the Assembly during the main part of its sixty-first session.

18. In connection with the performance report for MINURSO for the period 1 July 2004 to 30 June 2005 (A/60/634), he recalled that the General Assembly, by its resolution 58/309, had appropriated $41.9 million for the Mission for 2004/05. Expenditure for that period had amounted to $41.4 million, resulting in an unencumbered balance of $462,000, or 1.1 per cent of the appropriation. The unencumbered balance was primarily attributable to a higher vacancy rate for staff. Savings had been partially offset by increased usage of fixed-wing aircraft, in line with the policy of segregating cargo and passenger flights and owing to mechanical problems with helicopters.

19. The action to be taken by the Assembly, as reflected in the performance report, had been overtaken by the provisions of its resolution 60/255 in connection with the funding of liabilities for after-service health insurance benefits. Consequently, the draft resolution on the financing of MINURSO would reflect the credit to Member States of the total amount of $1.5 million, in a manner to be determined by the Assembly.

20. The proposed budget for MINURSO for the period 1 July 2006 to 30 June 2007 (A/60/724) was estimated at $42.8 million, representing a decrease of $2.7 million, or 6.0 per cent, from the appropriation for 2005/06. The decrease was attributable to three main factors: a reduction in the number of posts as a result of a Security Council-mandated review of the structure of the administrative and other civilian components of MINURSO; reduced requirements for vehicles in comparison to the 2005/06 period; and a reduction in the planned flight hours for helicopters and fixed-wing aircraft. The overall reduction was partially offset by additional requirements for 24 civilian security posts.

21. The action to be taken by the General Assembly, as reflected in paragraph 44 of the report, included appropriation of $42.8 million for the Mission for 2006/07 and assessment of $42.8 million for the period 1 July 2006 to 30 June 2007, should the Security Council decide to continue the mandate of the Mission.

22. Lastly, he pointed out that, as of 30 April 2006, total outstanding contributions to MINURSO had amounted to more than $45 million, which exceeded budgeted provisions for a full year of Mission operations and reflected chronic underfunding. As a result, troop contributors had not been reimbursed for more than two years. The situation was clearly unsatisfactory and merited the attention of Member States.

23. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the related reports of the Advisory Committee. As reflected in its report on MONUC (A/60/888), the Advisory Committee was recommending a reduction of slightly more than $6 million for the Mission owing to delays in deployment and the Committee's recommendations with regard to posts.

24. A wide-ranging consultants' study of MONUC had recently been completed. The results were still being evaluated by the Secretariat and had not been reflected in the current budget proposed. The Advisory Committee looked forward to the Secretariat's full analysis of the study and to relevant proposals, which should be contained in the next budget submission for MONUC. The organizational structure of the Mission at headquarters remained very complex, and some of its functions appeared to be unnecessarily fragmented. Continued efforts should be made to address those deficiencies and the results should be reflected in the next budget submission.

25. The Advisory Committee had been informed of delays in the deployment schedule of both military and civilian personnel, and had requested and received information on the consequent downward adjustments to the budget estimates. Those adjustments had been reflected, as appropriate, in its report.

26. The proposed budget for MONUC contained requests for a large number of conversions from general temporary assistance, as well as new posts and the retention of temporary positions. The Advisory Committee's ability to properly analyse the requests of the Secretary-General had in the past been hampered by the late submission of MONUC budgets and/or the need to revise them frequently. The situation had not improved in respect of the proposed budget for 2006/07.

27. In its recommendations on human resources for MONUC, the Advisory Committee had taken into account the significant projected savings for the

current period and persistent high vacancy rates, especially for international posts. It was also mindful that neither the consultants' report nor the Secretary-General's reaction to it had been fully reflected in the proposed budget for 2006/07.

28. With respect to the Advisory Committee's report on ONUB (A/60/893), he noted that the Secretary-General was requesting commitment authority only, at the current stage, pending the preparation of a full budget on the basis of a Security Council decision on the Mission's mandate. The Advisory Committee was recommending approval of the requested commitment authority, albeit without prejudice to its future consideration of the Mission's staffing and other requirements. In view of the expenditure pattern described in paragraph 8 of its report, an assessment of 50 per cent of the commitment authority should suffice.

29. As set out in its report on UNOCI (A/60/896), the Advisory Committee was recommending acceptance of the Secretary-General's estimate. It had been informed of the continuing cooperation between the Mission and the High Representative for the elections, and trusted that the Mission would continue to assist him, especially with regard to logistics, while respecting the functional independence of his office. The Advisory Committee's report on UNOCI was fairly long, covering human resource proposals and a number of operational issues, including ground transportation, travel, quick-impact projects, inter-mission cooperation and child protection.

30. As reflected in its report on MINURSO (A/60/897), the Advisory Committee was recommending approval of the Secretary-General's estimate, with only a very small reduction relating to its recommendation concerning the grade level of a requested post for the Conduct and Discipline Unit.

31. ACABQ had noted the low level of the unencumbered balance projected to remain at the end of the 2005/06 budget period. It appeared that budgetary assumptions had been refined in order to ensure that the Mission's financial resources were being utilized and managed properly. There appeared to be a consistently high vacancy rate. In view of the Mission's restructuring efforts, the Advisory Committee would continue to monitor those matters and consider the budgeted vacancy rate and staffing levels in the context of the 2007/08 budget presentation. Lastly, ACABQ had welcomed the implementation of management reviews and, on that basis, recommended approval of the Secretary-General's proposals for civilian staff, with the small exception of recommending a P-4 instead of a P-5, as set out in paragraph 25 of its report.

32. **Mr. Ng'ongolo** (United Republic of Tanzania), speaking on behalf of the African Group on agenda item 137, welcomed the presentation of the information on the performance of ONUB in a results-based budgeting framework, as well as the reported progress towards bringing about peace and security in Burundi. The African Group was grateful for the efforts of the United Nations and the international community to complement those of the African Union, the countries of the Great Lakes region and the people of Burundi.

33. The political problem in Burundi was long-standing and complex, and thus very difficult to resolve; hopes of finding a solution had often been dashed in the past. However, Africa had always been determined to ensure that lasting peace was achieved. The African Group wished to pay tribute to the prominent Africans who had helped make it possible to conclude the Arusha Peace and Reconciliation Agreement for Burundi, signed in 2000.

34. The Group had taken note with interest of the consultations between the United Nations and the democratically elected Government of Burundi on the plan for a gradual disengagement of the United Nations peacekeeping presence and an adjustment of the mandate of ONUB. The Secretary-General and the Government of Burundi should cooperate closely in monitoring developments in the country. The Government of Burundi, aware of its limited capacity to build upon the progress achieved thus far, had requested the United Nations and donor agencies to provide assistance through the newly established Peacebuilding Commission. The Group welcomed the Burundian Government's initiatives in that regard.

35. In the light of the signing of a comprehensive peace accord between the Government of Burundi and the PALIPEHUTU — Forces nationales de libération (FNL) on 18 June 2006, the African Group commended both sides for giving priority to the interests of their country and its people. It encouraged the two parties to build on their efforts to achieve a complete halt to the hostilities and bring about lasting peace, security and

stability, which were essential to the country's achievement of the Millennium Development Goals.

36. Despite those positive developments, the situation in Burundi remained fragile. The United Nations therefore still had an important role to play in assisting the Government of Burundi. The African Group had taken note of the comments of the Advisory Committee regarding the Secretary-General's request for commitment authority in the amount of $79,179,200, and welcomed the Secretary-General's request.

37. **Mr. Sadouk** (Morocco), speaking on behalf of the African Group on agenda item 138, said that many significant developments had taken place in Côte d'Ivoire since the adoption of the revised budget of UNOCI in November 2005. A new Government composed of all the signatories to the Linas-Marcoussis Agreement had been appointed, a road map for peace had been established and the ministerial-level International Working Group had been entrusted with verifying that all the necessary powers were delegated to the newly appointed Prime Minister.

38. The peace process, too, had made a number of significant and positive strides. The newly established Independent Electoral Commission had finalized its structure and rules of procedure, and 21 regional commissions had been established. A working group on identification and elections had been established under the supervision of the Prime Minister. Furthermore, at a meeting of Ivorian leaders held in Yamoussoukro on 28 February 2006, agreement had been reached on a number of outstanding issues, including the disarmament and identification processes, election preparations and the media's role in the peace process. Such positive developments had eased tensions and improved the overall political climate, thus enabling the Government to begin implementing the road map and focus on other priority issues such as the revitalization of the economy. The African Group commended the people of Côte d'Ivoire for their clear determination to move forward. The election preparations were noteworthy and every effort should be made to support the process adequately. In that respect, the African Group called on all Ivorian parties to maintain a constructive engagement in order to help consolidate the work of both the Commission and UNOCI.

39. UNOCI had a vital role to play in ensuring the attainment of peace and stability in Côte d'Ivoire. In accordance with its mandate, it was tasked with, inter alia, providing guidance and technical assistance during the preparations for and holding of elections; monitoring the ceasefire agreement, the movement of armed groups and the redeployment of forces; assisting in the disarmament, demobilization and reintegration programme; and promoting the rule of law and human rights. However, such tasks could be performed only with the tangible support of all Member States. The African Group expressed appreciation to all States that had contributed directly or indirectly to the positive developments being seen in Côte d'Ivoire, and reaffirmed its strong support for UNOCI, which must be given all the resources necessary to accomplish its mandates.

40. The Security Council had taken note of developments in Côte d'Ivoire and, by its resolution 1682 (2006), had authorized an increase in the strength of UNOCI of up to 1,500 additional personnel, including a maximum of 1,025 military personnel and 475 civilian police personnel.

41. The proposed 2006/07 budget of $420.2 million represented an increase of 0.3 per cent over the $418.8 million apportioned for 2005/06. The African Group had taken note of the Advisory Committee's observation that additional resources would be required to support the deployment of the 1,500 additional personnel authorized by the Security Council. Thus, a revised 2006/07 budget for UNOCI should be submitted to the General Assembly at its sixty-first session.

42. The African Group agreed with ACABQ that there had been an overall improvement in the presentation of the proposed budget, including expected accomplishments, indicators of achievement and actual outputs. It commended UNOCI for fully responding to the request of the General Assembly in its resolution 59/296 with respect to results-based budgeting. It also joined ACABQ in commending the efforts of UNOCI to develop a results-oriented management culture focused on achieving desired programme goals. It endorsed the Advisory Committee's request that UNOCI should share its budgeting experience with other peacekeeping operations.

43. Although the budget proposal included an increase of 91 posts, the Group continued to be concerned about the prevalence of high vacancy rates at UNOCI. The staff shortages would undoubtedly affect its ability to carry out its activities. While it joined the Advisory Committee in commending the Secretariat on its efforts to fill the vacant posts at UNOCI, the Group would be seeking further clarification during information consultations.

44. While the appropriate framework for achieving a peaceful and lasting settlement to the crisis in Côte d'Ivoire was in place, a final solution could be reached only if the international community lent its support to the electoral process, to the disarmament, demobilization and reintegration programme and to the work of the High Representative for the elections in Côte d'Ivoire.

45. **Ms. Udo** (Nigeria), speaking on behalf of the African Group on agenda item 140, said that the Group was pleased to have the opportunity to consider a full budget for MONUC, prepared with due regard for the provisions of Security Council resolution 1635 (2005). Previous budgets had not taken account of additional mandates given to the Mission, as the budget estimates had been prepared prior to the adoption of the relevant Security Council resolutions. The Group joined the Advisory Committee in commending the Mission on the progress achieved in presenting its activities in the results-based budgeting format, in both the performance report and the budget submission. It trusted that future budget submissions would include more precise indicators of achievement.

46. The Group recognized the tremendous challenges facing the Mission in connection with the forthcoming presidential and parliamentary elections and the progress achieved thus far, including the registration of more than 25 million voters and the adoption of a new Constitution by the people of the Democratic Republic of the Congo. It was important to secure those gains and to ensure that the Mission had the resources necessary to provide effective support to the elections and other processes that would help to ensure a lasting peace and socio-economic revival in the Democratic Republic of the Congo. In that context, the Group appreciated the understanding, support and cooperation of the international community.

47. As the Advisory Committee pointed out, no training courses were planned on elections, although that activity would be a priority in the coming period. The Group trusted that that omission would be rectified. It had taken note of the Mission's capacity-building efforts, including the proposed conversion of general temporary assistance positions to national staff posts. The Mission should continue to explore other capacity-building mechanisms, including quick-impact projects.

48. The late issuance of the Advisory Committee's report had left the Group little time to study it. Accordingly, it would make only preliminary remarks at the current stage. In that connection, it noted that, in the past, the Advisory Committee had been unable to properly analyse the Secretary-General's requests because of the late submission of MONUC budgets and the frequent need to revise them. The Secretary-General should inform the Security Council that the timing of its decisions affected the ability of missions to prepare and revise their budgets in a timely manner and placed the General Assembly under considerable strain when it came to review them.

49. Given the scope of the Mission's mandate, the resources requested for 2006/07 appeared reasonable. The Group would therefore welcome clarification of how the $6.1 million reduction recommended by the Advisory Committee would affect the Mission's ability to fulfil its mandate.

50. As at 31 December 2005, the Mission had owed amounts to Member States for both troop costs and contingent-owned equipment. All outstanding amounts should be settled quickly and, in future, payments should be made in a more timely manner. The Group was concerned to note that 12 claims for death and disability compensation were still pending and wished to know what action had been taken to address the problem.

51. The General Assembly had previously expressed concern about the very high rate of attrition among MONUC staff and the related difficulties in recruitment and had requested the Secretary-General to intensify his efforts to rectify the situation. However, several months later, vacancy rates in the Mission remained very high. The Group would therefore welcome an assurance that the matter would receive greater attention. It noted with satisfaction the four-pronged strategy adopted to meet the need for francophone candidates for civilian positions in peacekeeping operations. While such initiatives should

be encouraged, further action was required directly targeting MONUC.

52. The Group welcomed the study undertaken by the Dalberg consultants on the Mission's staffing and structure. It trusted that, when the Secretariat had concluded its review of the study, it would report to the General Assembly on the relevance of the consultants' recommendations, not only for MONUC, but also for other peacekeeping operations. It expected that any needed improvements to the Mission's organizational structure would be made in due course. In that connection, it looked forward to receiving, in informal consultations, further information on the Mission's existing structure and the deployment of its human resources. It had taken note of the establishment of a coordination network and wished to know how the Mission would build on that welcome development.

53. Lastly, the Group was grateful to all those who had collaborated closely with the Mission, particularly the African Union.

54. **Mr. Drofenik** (Austria), speaking on behalf of the European Union, said that the European Union had always strongly supported the Organization's peacekeeping activities. Indeed, its members contributed almost 38 per cent of the peacekeeping budget. It believed that each mission should be judged on its merits. Its general approach to peacekeeping matters had been outlined in previous statements. However, it wished to note its concern about the late submission of documentation. It was committed to making progress in the Committee's consideration of the mission budgets and would work constructively with other delegations to that end.

55. **Ms. Attwooll** (United States of America) said that her delegation was very concerned about the timing of the introduction of the proposed budgets for the peacekeeping missions under consideration. Her delegation attached great importance to the right of Member States to consider those budgets, and all other peacekeeping mission budgets, in full, in order to have a solid understanding and justification of the resources being requested. The fact that the proposed budgets in question had been introduced at such a late stage cast doubt on whether they could be considered in full by 28 June. Her delegation encouraged the Secretary-General to ensure that future budgets and the related reports of ACABQ were introduced to the Committee in a timely manner to allow for full consideration of the issues.

56. In light of their late issuance, her delegation was not in a position to comment on the reports before the Committee and would reserve its questions for informal consultations.

57. **Mr. Mumbey-Wafula** (Uganda) said that his Government was actively engaged in the quest for peace in Burundi and was also contributing to the peace process in Côte d'Ivoire. Uganda was a neighbour of the Democratic Republic of the Congo, and his Government therefore attached great importance to stability in that country.

58. Owing to the late submission of the proposed budget for MONUC, his delegation had not had sufficient time to study it. It wished, however, to commend the Secretary-General for preparing a submission that took account of recent and forthcoming events in the Democratic Republic of the Congo, including the constitutional referendum and the presidential and parliamentary elections. Specific recommendations should be given for preparing a results-based budget that provided for post-transitional activities in such areas as good governance; coordination of international technical and political support; assistance to the Government in re-establishing State authority; disarmament of foreign combatants; support for national security; organization of local elections; and humanitarian assistance.

59. His delegation would continue to support the reduction of transportation costs through greater use of road transport; a stronger focus on the regional dimension in efforts to achieve peace and stability in the Democratic Republic of the Congo; the establishment of sustainable mechanisms for regional cooperation in the Great Lakes region; implementation of repatriation, reinsertion and resettlement programmes for disarmed and demobilized foreign ex-combatants; operational links with ONUB and the United Nations Mission in the Sudan (UNMIS), including joint positioning, cordon-and-search operations and the establishment of weapons-free zones; and coordination with ONUB, UNMIS and the United Nations Mission in Ethiopia and Eritrea (UNMEE) in the use of personnel and assets. It welcomed the review undertaken of the Mission's concept of administrative and logistical support and trusted that it would lead to more efficient, direct and

therefore cost-effective delivery of services. It also welcomed the incorporation in the budget submission of some of the recommendations made by the Dalberg consultants.

60. His Government pledged to ensure the continued availability of an expanded logistics base in Entebbe. His delegation supported the Secretary-General's resource proposals and would seek further clarification in informal consultations concerning the impact of the recommendations of ACABQ.

61. **Mr. Kozaki** (Japan) said that, since his delegation had already made a comprehensive statement on the United Nations peacekeeping operations and the Committee was working under great pressure of time, he would not make a detailed statement on the individual mission budgets under consideration. He wished, however, to express regret that delegations had not had time to fully analyse the proposed budgets of the three missions or to seek guidance from their capitals. The budget for MONUC, in particular, had been issued very late, and delegations had received the related report of ACABQ only a few days before the current meeting. Moreover, the Secretariat had yet to complete its examination of the consultants' review of the staffing and structure of MONUC, and the consultants' recommendations had not therefore been fully reflected in the budget submission. That situation was unacceptable, given the size of the Mission's budget.

62. **Mr. Banny** (Côte d'Ivoire) said that his Government was deeply grateful for the assistance provided by the international community through UNOCI. Over the last six months, there had been substantial progress in Côte d'Ivoire. The new Government had taken a series of measures which, it was hoped, would bring about a rapprochement among political leaders. He was pleased to announce that the Armed Forces of Côte d'Ivoire, the Forces de défense et de sécurité (FDS) and the Forces nouvelles had withdrawn from the front line, and regrouping of soldiers had begun. Regarding the identification of the population, pilot projects had been conducted in 10 areas across the territory of Côte d'Ivoire, including one under rebel control. A return to normality was thus under way in the country. He hoped that the proposed budget for UNOCI would be approved, so as to allow the restoration of peace and prosperity in Côte d'Ivoire.

63. **Mr. Sena** (Brazil), speaking also on behalf of Guatemala, said that the two delegations wished to align themselves with the statements made by the representatives of the United Republic of Tanzania, Morocco and Nigeria on behalf of the African Group concerning agenda items 137, 138 and 140, respectively. They agreed that peace in Burundi was of fundamental importance, for both Africa and the world, and that ONUB must have the resources necessary to facilitate the restoration of lasting peace and the achievement of national reconciliation and sustainable development in that country. They also strongly supported UNOCI, which must be provided with the funds required to successfully implement its mandate. With regard to MONUC, they joined the representative of Nigeria in requesting the Secretariat to provide a detailed explanation of the impact of the $6.1 million reduction in the proposed budget for the Mission recommended by ACABQ. Lastly, the resources requested for quick-impact projects should be provided in full and without conditions.

64. **Mr. Seakamela** (South Africa) said that the peace processes in Burundi, Côte d'Ivoire and the Democratic Republic of the Congo remained priorities for the international community. In that connection, his delegation supported the efforts of the African Union, through its Peace and Security Council, to assist the people of the Democratic Republic of the Congo in finding a comprehensive and lasting solution to the challenges facing them. It welcomed the finalization of a date for the country's first elections in more than 40 years. It was aware that peace and stability in the Democratic Republic of the Congo were critical for the establishment of sustainable and durable peace and prosperity for the region and for the African continent as a whole.

65. South Africa had been working tirelessly on behalf of the African Union and through the International Working Group to bring an end to the conflict in Côte d'Ivoire. It was encouraged by the commitments made by the President and Prime Minister of Côte d'Ivoire to work together in recognition of their responsibility to the country. The implementation of the first phase of the disarmament process was a welcome development. His Government would continue to encourage further progress, particularly on key outstanding issues relating to the disarmament, demobilization and reintegration and national identification processes.

66. His Government wished to reiterate its commitment to work with the regional leadership of the African Union and with the Government and people of Burundi to find sustainable solutions to the political challenges facing that country with a view to bringing lasting peace to Burundi. In that context, it welcomed the decision by PALIPEHUTU-FNL to enter into unconditional negotiations with the Government of Burundi, which had led to the signing of the Comprehensive Peace Agreement.

67. The General Assembly, in its resolution 59/296, had tasked the management of the various peacekeeping missions and the Department of Peacekeeping Operations with a range of reviews and steps to ensure that peacekeeping operations were managed effectively and that their financial and human resources were used efficiently. His delegation was encouraged by the measures taken by ONUB, UNOCI and MONUC to ensure the implementation of the resolution and of the recommendations of the Board of Auditors and the Advisory Committee, as adopted by the Assembly.

68. Lastly, it reiterated its full support for the continuation of quick-impact projects beyond the initial two-year time frame, particularly where that was necessitated by developments on the ground or by changes in a mission's mandate.

69. **Mr. Hussain** (Pakistan) said that his delegation supported the statements made by the representatives of the United Nations Republic of Tanzania, Morocco and Nigeria on behalf of the African Group and hoped that their concerns would be given due consideration. While his delegation welcomed the reports that had been introduced, it was concerned by their late issuance, which prevented them from being considered properly. The missions in question were large and complex and raised issues for troop-contributing countries, the countries in which they were located and other countries in the region. The Committee needed to thoroughly debate all cross-cutting issues. The current practice prevented it from doing so. The problem needed to be looked at seriously. Reports should be issued by March at the latest, to allow time for the Advisory Committee to formulate its recommendations and for Member States to discuss them.

70. Pakistan feared that it and other troop-contributing countries would be forced to finance the presence of troops in the countries concerned if agreement could not be reached on the proposed budgets. That would constitute yet another burden for troop contributors, in addition to the problem of outstanding reimbursements. He asked the Secretary-General to look very carefully at the issue.

71. His delegation was also concerned about the visible linkages being made between progress on the proposed budgets and certain other issues. Even though such linkages had created problems in the Committee's deliberations on other issues and there had been a clear understanding among delegations that they should be avoided, there seemed to be a deliberate policy of obstructing agreement on vital peacekeeping missions. He hoped that such thinking would not impede the early conclusion of the Committee's discussion of peacekeeping budgets.

72. **Mr. Torres Lépori** (Argentina), associating his delegation with the statement made by the representative of Brazil, said that all missions, in particular those under consideration at the current meeting, should have sufficient resources to effectively carry out their mandates, particularly in the areas of disarmament, demobilization and reintegration and the implementation of quick-impact projects, which were essential for the missions' success.

73. **Mr. Singh** (India), endorsing the statements made on behalf of the African Group, said that his delegation supported current United Nations and African Union endeavours to restore peace in the Democratic Republic of the Congo, Burundi, Côte d'Ivoire and Western Sahara. He shared Pakistan's concerns regarding the delayed introduction of peacekeeping budgets, which did not allow the Committee enough time to discuss complicated issues. As a major troop-contributing country, India, too, was concerned that the 30 June deadline was fast approaching. It did not wish to see its peacekeepers left without resources after that date. He therefore hoped that the proposed budgets of the various peacekeeping operations would be adopted expeditiously.

74. **Ms. Udo** (Nigeria), aligning her delegation with the statement made by the representative of Morocco on behalf of the African Group, said that her delegation supported the Secretary-General's request for $420.2 million for UNOCI for the period 1 July 2006 to 30 June 2007, a request also fully endorsed by ACABQ. Recalling that UNOCI had resulted from the amalgamation of the United Nations Mission in Côte

d'Ivoire (MINUCI) and forces of the Economic Community of West African States (ECOWAS), she said that ECOWAS member States, like all African States, paid close attention to the mission. While there had been setbacks and challenges along the way, there had also been a concerted effort by all to achieve a positive outcome. In particular, efforts to implement the road map for peace established by the International Working Group had been made, the structure and rules of procedure of the Independent Electoral Commission had been established and 21 regional commissions had been set up. She commended the Operation's contribution to the electoral process and the continuing cooperation between the mission and the High Representative for the elections in Côte d'Ivoire. She hoped that that effort would be maintained.

75. Her delegation recalled the Advisory Committee's call for the mission to continue to assist the Office of the High Representative for the elections and joined it in commending UNOCI on the improvements in the presentation of its performance report and proposed budget. Her delegation also supported the statement made by the representative of Côte d'Ivoire, welcomed the recent positive developments in the political arena and commended the steps taken towards the restoration of peace and prosperity for the Ivorian people.

76. She reiterated her delegation's concern about the late issuance of important reports, and trusted that a greater effort would be made to address the issue. She also endorsed the comments made by the representatives of Brazil, South Africa, Pakistan, Argentina and India regarding UNOCI and the other missions under consideration. The various points raised were pertinent to the successful implementation of their various mandates.

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/60/898 and A/60/900)

77. **Mr. Sach** (Controller), introducing the note by the Secretary-General on the resource requirements for the Office of Internal Oversight Services (OIOS) under the support account for peacekeeping operations for the period from 1 July 2006 to 30 June 2007 (A/60/898), recalled that the Advisory Committee, in paragraphs 114 and 115 of its report on the proposed budget for the support account for 2006/07 (A/60/807), had recommended that the Assembly should defer action on the post and non-post resources proposed for OIOS under the support account for 2006/07 pending the submission of the report on governance and oversight, which would include a detailed review of OIOS as part of the United Nations machinery. Pending its consideration of the report, the Assembly was requested to provide interim resources for OIOS for 2006/07 to ensure continuous oversight of United Nations peacekeeping activities.

78. As reflected in paragraph 14 of the Secretary-General's note (A/60/898), the Assembly was requested to approve, on an interim basis, $21.8 million for OIOS under the support account, comprising non-post resources in the amount of $18.8 million for the continuation of approved 2005/06 resources in 2006/07, inclusive of 119 general temporary assistance positions; non-post resources of $918,800 for 11 general temporary assistance positions in the Resident Audit Unit of UNMIS; and non-post resources of $2.1 million for additional requirements, inclusive of 13 general temporary assistance positions. The Assembly was also requested to include $21.8 million in the resources for the support account for peacekeeping operations, to be prorated among the budgets of the active peacekeeping missions for 2006/07.

79. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/60/900), said that the only point he wished to emphasize was that the Advisory Committee intended to revisit the resource requirements of OIOS after all relevant reports on OIOS had been considered by the General Assembly. To that end, it would expect the Secretary-General to prepare such revised estimates as were necessary, including for the support account.

The meeting rose at 11.45 a.m.